



RE: VW Mitigation Trust Fund Contract

To Whom It May Concern:

Please find enclosed one (1) copy of the final executed contract with the San Joaquin Valley Air Pollution Control District (SJVAPCD) on behalf of the VW Mitigation Trust Fund. Please remember the following critical milestones:

Milestone Name	Milestone Timeframe
Purchase Order	Submitted within 90 days of contract execution
Implementation	Completed within 18 months of contract execution
Current Bus Scrapping	Within 60 days of receipt of new bus
Annual Report	12, 24, 36 months after new bus in service
Record Retention	Six (6) years from contract execution

To receive reimbursement, the request must be made through the VW Mitigation Trust Fund website at: <http://vwbusmoney.valleyair.org>. SJVAPCD will be requiring the following:

- Completion of a Claim for Payment form (to be sent after the new bus is delivered)
Claims must be signed by appropriate signing authority
- Submission of all invoices, cancelled checks, receipts, etc.
- Copy of insurance coverage (or letter of self-insurance)
- CHP form 343 or 343A (for school bus only)

Applicants must not have paid for, or taken delivery of any parts prior to the contract execution date on the enclosed contract. Additionally, it is important that you follow all reimbursement procedures in the enclosed guidance document. Failure to follow the procedures will delay reimbursement.

If you have any questions, please contact VW Mitigation Trust Fund Staff at (833) 287-6663.

Sincerely,

VW Mitigation Trust Fund Staff

Enclosures

San Joaquin Valley Air Pollution Control District
Project Administrator

1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: 833-BUS-MONEY (833-287-6663) Fax: 559-230-6112

Website: www.vwbusmoney.valleyair.org

Email: vwbusmoney@valleyair.org

Agreement G-143543-A1

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
Volkswagen Mitigation Trust Fund School Bus
FUNDING AGREEMENT**

This Agreement, made this 13th day of November, 2023, between the San Joaquin Valley Unified Air Pollution Control District ("District") and **Redlands Unified School District** ("Participant").

RECITALS:

WHEREAS, the Zero-Emission Transit, School and Shuttle Bus Project ("the Project") is one of the eligible projects included in California's Beneficiary Mitigation Plan, developed to summarize how the State of California plans to use the VW Mitigation Trust Funds allocated under the Environmental Mitigation Trust that resulted from the Volkswagen "defeat device" settlement; and

WHEREAS, past and future excess NOx emissions emitted from Volkswagen vehicles are intended to be mitigated, in part, by the Zero-Emission Transit, School and Shuttle Bus Project, which also assists in furthering the State's long-term goals; and

WHEREAS, the Zero-Emission Transit, School and Shuttle Bus Project provides funding to be used toward the purchase of new zero-emission replacement buses for owners of transit, school, and shuttle buses, to mitigate excess NOx emissions, reduces pollution in disadvantaged and low-income communities, supports advanced technology vehicle and equipment deployments and accelerates the zero-emission transformation of the heavy-duty fleet; and

WHEREAS, the District is the Project Administrator for using VW Mitigation Trust Funds to replace eligible used transit, school, and shuttle buses throughout the State in accordance with the Project Agreement and Volkswagen Mitigation Trust Fund Implementation Manual; and

WHEREAS, Participant has submitted an application for funding under the Project, attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, Participant has reviewed and is familiar with the Program Guidelines, attached hereto and incorporated herein as **Exhibit C**, and agrees to adhere to them; and



NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree as follows:

1. PROJECT

The purpose of this Agreement is to provide incentives to Participants in the Volkswagen Environmental Mitigation Trust. Under this program, District provides cash incentives to be used toward the purchase of new zero-emission replacement buses. Participant shall receive Project funding from the VW Mitigation Trust Fund, administered by District, to be applied towards the purchase of a new, Project-eligible zero-emission School Bus replacement bus (hereinafter the “new bus”), to replace Participant’s current internal combustion engine School Bus (hereinafter the “current bus”), for use primarily within the state of California. Participant has agreed to undertake such participation through their submission of their application, attached hereto and incorporated herein as **Exhibit A**.

2. DESCRIPTION OF VEHICLE(S)

A. Funding under this Agreement shall be utilized by Participant for the purchase of the following new zero-emission Replacement bus; hereinafter the “new bus;” to replace Participant’s current bus; hereinafter the “current bus.” Specifications for the current bus and the new bus, including the specifications for the motor, are identified in **Exhibit B**, attached hereto and incorporated herein. If, after the execution of this Agreement, Participant purchases a new bus other than as listed in **Exhibit B**, the alternative new bus must meet the following requirements. The alternative new bus must:

1. Meet all program eligibility requirements as the new bus listed in **Exhibit B**.
2. Have an approved CARB Executive Order

Participant must receive prior approval by the District before purchasing the alternative new bus. If Participant does not receive prior approval from the District for the purchase of the alternative new bus, the District may deny the disbursement of project incentive funds.

B. No payment shall be made toward the new bus other than as listed in § 2.A.

C. Participant agrees that the current bus as listed in **Exhibit B**, as the vehicle to be replaced, will be permanently removed from operation, dismantled and reported to the California Department of Motor Vehicles (DMV) as a dismantled bus.

- Definition of “dismantle” for the purpose of this Agreement, is as follows: to punch, crush, stamp, hammer, shred, or otherwise render permanently and irreversibly incapable of functioning as originally intended, any vehicle or vehicle part.

3. OBLIGATIONS OF DISTRICT

- A. District shall provide **up to \$400,000.00** of VW Mitigation Trust Funds to Participant for the purchase of **one (1)** new bus as indicated in § 2.A, **and not to exceed the funding levels specified in the Guidelines**, attached hereto and incorporated herein as **Exhibit C**.
- B. District shall make payment to Participant upon receipt and verification of a properly supported Claim for Payment including itemized invoices.
- C. Funding shall only be allowed toward the purchase of the new bus described in § 2.A, which complies with the VW Mitigation Trust Fund and all program requirements, which must be met for the full three (3) year Project Implementation Phase.
- D. Payment will be issued upon verification that the new bus is purchased and program eligible including, but not limited to, verification that the new vehicle is California Highway Patrol (CHP) safety certified (for school buses only), insured, and operating.

4. AGREEMENT TERM

- A. Project Completion Phase – Participant shall take delivery and place the new bus into service within **eighteen (18) months** of the effective date of this Agreement, as indicated on Page 1, Paragraph 1. This includes dismantling the current bus and placement of the new bus into service.
- B. Claim for Payment Request for Reimbursement – Participant shall submit a complete claim for payment request to be reimbursed for the purchase of the new bus within **eighteen (18) months** of the effective date of this Agreement, as indicated in Page 1, Paragraph 1. The claim for payment request must be made through the VW Mitigation Trust Fund website at: <http://vwbusmoney.valleyair.org>
- C. Project Implementation Phase – Participant shall own, operate, and maintain the new bus according to the terms of this Agreement for a period of not less than **three (3) years** from the date in which the new bus is first placed into service. Participant agrees to cooperate with District in implementation, monitoring, enforcement, and other efforts to assure the emissions benefits are real, quantifiable, surplus, and enforceable.
- D. If Participant cannot meet the **eighteen (18) month** Project Completion Phase, Participant must notify District in writing with justification explaining why the Project Completion Phase cannot be met. District will review the request and determine, in its sole discretion, whether to amend the Agreement to account for Participant's written request. Participant agrees to amend the Agreement as necessary, if requested by District, to ensure the project is completed in a timely

manner. Though District agrees it will not unreasonably deny Participant's request, Participant understands that even with written justification; District does not guarantee an amendment will be made to the Agreement to adjust Project Implementation Phase, and expressly reserves the right to deny such request. Participant may be subject to conditions in § 8 for noncompliance with Project Completion Terms.

- E. Participant will meet the following milestones unless prior arrangements have been submitted to District and approved in writing:
- Purchase Order Milestone: A copy of the purchase order must be submitted to District within ninety (90) days of the contract execution, unless otherwise authorized by District.
 - Project Completion Phase Milestone: Entire project must be completed, and claim for payment submitted, within eighteen (18) months of the date of contract execution, unless otherwise authorized by District.
 - Estimated Delivery Milestone: The estimated delivery date of the new bus.
 - Current Bus Scrapping Milestone: Participant must scrap the current bus within sixty (60) days of the receipt of the new bus by rendering the current bus permanently and irreversibly incapable of functioning as originally intended.
 - Annual Report Milestone: Participant must supply the requested report information annually for a period of three (3) years from the date the new bus is placed into service.
 - Record Retention Milestone: Participant must retain project documentation for the Project Implementation Phase plus three (3) years after Project Implementation Phase.

Milestone Name	Milestone Timeframe
Purchase Order	Submitted within 90 days of contract execution
Project Completion Phase	Completed within 18 months of contract execution
Estimated Delivery	Within 12 months of Purchase Order date
Current Bus Scrapping	Within 60 days of receipt of new bus
Annual Report	12, 24, 36 months after new bus in service
Record Retention	Six (6) years from contract execution

5. REPORTING

- A. Participant affirms that the information reported on the current bus, as identified is **Exhibit B**, is true and accurate.
- B. Participant shall submit annual reports on new bus operation, annual miles traveled, program participation rates, identified problems and proposed solutions,

maintenance and any other pertinent information requested by District on a form to be provided to Participant by District. Participant must submit annual reports each year for the duration of the Project Implementation Phase as described in § 4.C.

- C. Annual reports are due at 12, 24, and 36 months after the date that the new bus in this project is in service.
- D. Noncompliance with the reporting requirements shall require on-site monitoring by District personnel.
- E. District reserves the right to monitor and enforce the terms of this Agreement at any time during the Project Implementation Phase as described in § 4.C and for a period of **three (3) years** after.

6. OBLIGATIONS OF PARTICIPANT

- A. Participant shall purchase the new bus specified in § 2.A and indicated in **Exhibit B**. It is the responsibility of Participant to ensure the new bus purchased through this Agreement meets all program eligibility requirements. Participant must ensure the new bus purchased through this Agreement adheres to all the requirements set forth in § 2.A. If Participant purchases a new bus that does not meet program requirements, District may deny the disbursement of project funds.
- B. If the new bus is a school bus, the new bus must undergo a CHP safety certification inspection after its purchase and prior to transporting children.
- C. The new bus shall be operated and maintained according to the manufacturer's specifications.
- D. In the event Participant does not complete the three (3) year Project Implementation Phase required by this Agreement, Participant shall refund to District a pro-rated incentive amount.
- E. If necessary, Participant shall obtain through other sources sufficient additional funds to purchase the new bus specified herein.
- F. In the event Participant cannot obtain sufficient funds to complete the purchase of the new bus, District reserves the right to terminate this Agreement. In that event, if requested by District, Participant shall return any District funds received.
- G. All forms and documents necessary for the submission of the claim for payment for reimbursement will be available at: <http://vwbusmoney.valleyair.org>. Participant must submit all necessary forms and documents required for reimbursement to District through the website at: <http://vwbusmoney.valleyair.org>.

- H. The following records are required for payments. No payments will be made until the following documents are submitted to District:
- The vendor delivers of the eligible replacement bus to Participant.
 - Participant dismantles the current bus through an approved dismantler.
 - District receives itemized invoices from Participant.
 - District receives proof that the current bus has been scrapped: the current bus must be scrapped within 60 days of the receipt of the new bus and proof of scrap must be provided before District can make any payments.
 - District receives self-certification from Participant of all match funding and that match funds do not claim NOx emission reductions.
 - Participant provides a copy of the Department of Motor Vehicle registration for the new vehicle to District.
 - The documentation of the new vehicle and verification of the new vehicle specifications have been provided to District.
 - (For school buses only) CHP has inspected the school bus and has completed written documentation signifying that the school bus is safe to operate with children aboard and the applicant has provided a copy of the documentation to District.
- I. Initial Reporting by Participant will include, but is not limited to:
- Current bus information,
 - New bus information,
 - Funding information (including match funding amounts and sources),
 - Selected applicant information, and
 - Supporting documentation needed such as engine serial numbers, data tag photos, etc.
- J. Participant must complete the Disclosure of Funds form, self-certifying all match funds and that match funds do not claim NOx emission reductions.
- K. Participant must scrap the current bus with a VW Mitigation Trust Fund approved dismantler within sixty (60) days of the receipt of the new bus by rendering the current bus permanently and irreversibly incapable of functioning as originally intended. VW Mitigation Trust Fund approved dismantlers can be found at: <http://vwbusmoney.valleyair.org>.
- L. Payment for Scrap: Income for scrap is not allowed. District will allow Participant to receive payment for scrap under the following conditions:

- Participant provides to District the receipt for any scrap payment showing the amount of funds received from the dismantler.
 - District will reduce the VW Mitigation Trust Funds awarded to Participant by the scrap payment amount if the scrap amount, plus VW Mitigation Trust Funds amount, plus match exceeds the new bus purchase price.
 - District and Participant will retain documentation of any scrap payment as part of the project record.
- M. Participant agrees to maintain the new bus per the manufacturer's specifications.
- N. District shall only reimburse Participant for project costs incurred on or after the date of execution and subject to the provision limits in Project Expenditure Limitations Section of the VW Mitigation Trust Fund Guidelines. Funds will be disbursed within 30 days of District's receipt and approval of all required documentation.

7. GENERAL CONDITIONS

- A. Participant agrees that as of the date of execution of this Agreement, it has not yet purchased and/or received delivery of the new bus.
- B. Participant agrees that, for the three (3) year Project Implementation Phase plus **three (3) years**, District shall be allowed upon request to inspect the new replacement bus and/or records relating to the new bus including but not limited to those listed in **Exhibit C**.
- C. Participant agrees that the gross vehicle weight rating of the new bus shall be 14,001 pounds or greater.
- D. Participant agrees that the new bus shall, by a test method approved by the United States Environmental Protection Agency (US EPA) or the California Air Resources Board (CARB), be new and certified for sale in California, or under an experimental permit for operation in California, and must be a part of the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) eligible vehicle catalog, unless previously approved in writing by District and/or CARB. The new bus shall meet or exceed said requirements.
- E. Participant agrees and represents that the new bus will operate primarily within the state of California and shall remain so for the three (3) year Project Implementation Phase.
- F. Participant acknowledges that they are prohibited from making or allow any modifications to the vehicle's emissions control systems, hardware, or software calibrations, (Vehicle Code Section 27156), and not install any combustion source such as a fuel fired heater.

- G. Participant waives all rights to any emission reduction credits that may accrue as a result of purchase of the new bus. Any such potential credits shall be the sole property of the VW Mitigation Trust Fund.
- H. If Participant intends to sell or transfer ownership of the new bus in this Agreement during the three (3) year Project Implementation Phase specified in paragraph 4(C), Participant must notify and receive approval from District prior to the sale or transfer of the new bus. In the event Participant sells or transfers ownership of said new bus to a buyer outside of the state of California during the three (3) year Project Implementation Phase specified in paragraph 4(BC), Participant shall return, if requested by District, pro-rated incentive funds to District.
- I. District reserves the right to reduce the incentive amount if it is determined that the actual costs paid by Participant are less than the costs indicated on the Application, as indicated in **Exhibit A** and **Exhibit B**, or if the incentive amount exceeds the funding levels specified in the Guidelines, as identified in **Exhibit C**. Additionally, District reserves the right to disallow certain ineligible costs submitted on the Claim for Payment and thereby reduce the incentive amount. A determination of cost eligibility will be at the sole discretion of District.
- J. Participant agrees that the project will comply with the Volkswagen Environmental Mitigation Trust Fund Guidelines and shall meet all program requirements for the three (3) year Project Implementation Phase of the Agreement, all of which are incorporated herein by reference.
- K. For projects involving installation or construction of infrastructure, Participant agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for and licensed professionals are required for those services under state law.
- L. If applicable, Participant agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, Participant shall monitor all services subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- M. Participant shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. Participant shall be responsible for any and all disputes arising out of its contracts for work funded by this Agreement, including, but not limited to, payment disputes with contractors, subcontractors, and providers of services. District will not mediate disputes between Participant and any other entity concerning responsibility for performance of work.

8. REPERCUSSIONS FOR NONPERFORMANCE

- A. Participant must operate the new bus purchased through this Agreement according to the terms of the Agreement and cooperate with District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits are real, quantifiable, surplus, and enforceable.
- B. Repercussions for noncompliance with the requirements, terms, and conditions set forth in this Agreement shall result in, including but not limited to, District cancelling the Agreement with Participant and recapturing project funds in proportion to any loss of emissions reductions as agreed to in this Agreement.
- C. District and CARB have authority to seek any remedies available under the law for noncompliance with VW Mitigation Trust Fund requirements and nonperformance with the Agreement. District may consider unforeseen circumstances beyond Participant's control in determining repercussions for nonperformance.
- D. CARB, as an intended third party beneficiary, reserves the right to enforce the terms of this Agreement at any time during the Project Implementation Phase to ensure emission reductions are obtained.

9. INDEPENDENT CONTRACTOR

In performance of the work, duties, and obligations assumed by Participant under this Agreement, it is mutually understood and agreed that Participant, including any and all of Participant's officers, agents, and employees, shall act in an independent capacity and not as an officer, agent, servant, employee, joint venture, partner, or associate of District.

10. INSURANCE

Participant shall insure the new bus in an amount not less than the full replacement value of the bus and provide satisfactory evidence of such insurance to District. The evidence shall be provided at the time of claim and with the annual report through the full three (3) year Project Implementation Phase of this Agreement.

11. FUNDING OUT

The terms of this Agreement and the services to be provided hereunder are contingent on the approval and receipt of funds by the appropriating government agency. Should sufficient funds not be allocated, the services provided may be modified or this Agreement terminated at any time by giving Participant thirty (30) days' prior written notice.

12. NON ASSIGNMENT

Neither party shall assign, transfer, or subcontract this Agreement, nor their rights or duties under this Agreement, without the prior express, written consent of the other party.

13. TERMINATION

District may immediately suspend or terminate this Agreement, in whole or in part, or withhold payment where District determines there is:

- A. An illegal or improper use of funds;
- B. A failure to comply with any term of this Agreement; or
- C. A substantially incorrect or incomplete report submitted to District.

In no event shall any payment by District constitute a waiver by District of any breach of this Agreement or any default that may then exist on the part of Participant. Neither shall such payment impair or prejudice any remedy available to District with respect to the breach or default. District shall have the right to demand of Participant the repayment to District of any funds disbursed to Participant under this Agreement that, in the judgment of District, were not expended in accordance with the terms of this Agreement. Participant shall promptly refund any such funds upon demand. In addition to immediate suspension or termination, District may impose any other remedies available by law, in equity, or otherwise specified in this Agreement.

14. INDEMNIFICATION

Participant agrees to indemnify, defend and hold harmless the District, State and CARB and their respective 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 Participant, and/or out of the operation of equipment that is purchased with trust funds.

15. RECORD KEEPING

Participant shall maintain records sufficient to provide, on an annual basis for the full term of this Agreement, information regarding annual mileage, fuel usage, general maintenance details, and any other available information that may be deemed pertinent to the evaluation of the program. Participant shall agree to maintain such records for possible audit for a minimum of the Project Implementation Phase plus **three (3) years**. Participant shall agree 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, Participant agrees to include a similar right to the State and CARB to audit records and interview staff in any subcontract related to performance of the Agreement. This includes the right to review and to copy any

records and supporting documentation pertaining to the performance of the Agreement – this includes programmatic and fiscal records and documentation.

On-going Recordkeeping and Reporting will include:

- Participant must supply the required information annually and for three (3) years after Project Implementation Phase, including:
- The new bus mileage at 12, 24, and 36 months after date the new bus is in service,
- Self-certify that the bus is still owned by Participant, and
- Self-certify that the bus is still in operation in California.

16. AVAILABILITY OF DATA

District will make project documentation, records, reports, and other material available to CARB upon request and as needed to respond to legislative inquiries. District will make data summaries available to the public in response to data requests.

17. NOTICES

The persons and their addresses having authority to give and receive notices under this Agreement are as follows:

PARTICIPANT

Jason Hill
Assistant Superintendent of Business
Services
20 W. Lugonia Ave
Redlands, CA 92377

DISTRICT

Samir Sheikh
Executive Director/APCO
1990 E. Gettysburg Avenue
Fresno, California 93726

Any and all notices between District and Participant provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party.

18. CONFLICT OF INTEREST

No officer, employee, or agent of District who exercises any function or responsibility for planning and carrying out the services provided under this Agreement shall have any direct or indirect personal financial interest in this Agreement. Participant shall comply with all federal and state conflict of interest laws, statutes, and regulations, which shall be applicable to all parties and beneficiaries under this Agreement and any officer, agent, or employee of District.

19. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the State of California. Venue for any action arising out of this Agreement shall only be in Fresno County, California.

20. COMPLIANCE WITH LAWS

Participant shall comply will all federal and state laws, statutes, regulations, rules, and guidelines which apply to its performance under this Agreement, including California driving eligibility and financial liability laws.

21. TIME IS OF THE ESSENCE

It is understood that for Participant's performance under this Agreement, time is of the essence. Participant will, to the reasonable satisfaction of District, complete all activities provided herein within the time schedule outlined in this Agreement, provided that Participant is not caused unreasonable delay in such performance. District reserves the right to cancel the Agreement if the owner does not execute it in a timely manner.

22. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between Participant and District with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

23. MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties without in any way affecting the remainder.

24. NO FINANCIAL THIRD-PARTY BENEFICIARIES

Notwithstanding anything else stated to the contrary herein, it is understood that Participant's services and activities under this Agreement are being rendered only for the benefit of District, and no other person, firm, corporation, or entity shall be deemed an intended financial third-party beneficiary of this Agreement.

25. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

26. AUDIT

District reserves the right to audit and enforce the terms of this Agreement at any time during the Project Implementation Phase plus **three (3) years**. Additionally, District shall be permitted to inspect the project equipment during the entire Project Implementation Phase plus **three (3) years** and as long as it is still in use after the Project Implementation Phase.

27. FORCE MAJEURE

Neither District nor Participant shall be liable for or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire, or other casualty, etc.

28. NON-DISCRIMINATION

During the performance of this Agreement, Participant and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. Participant and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.

PARTICIPANT


Redlands Unified School District

DocuSigned by:


Jason Hill
Assistant Superintendent of Business Services

DISTRICT

San Joaquin Valley Unified Air Pollution Control District

DocuSigned by:


Vito Chiesa
Governing Board Chair

Recommended for approval:
San Joaquin Valley Unified Air Pollution Control District

DocuSigned by:

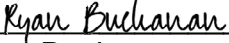

Samir Sheikh
Executive Director/APCO

Approved as to legal form:
San Joaquin Valley Unified Air Pollution Control District

DocuSigned by:


Annette A. Ballatore
District Counsel

Approved as to accounting form:
San Joaquin Valley Unified Air Pollution Control District

DocuSigned by:


Ryan Buchanan
Director of Administrative Services

For accounting use only:
San Joaquin Valley Unified Air Pollution Control District

Program: 466
Account No.: _____

EXHIBIT A

COPY OF ORIGINAL APPLICATION



Received Date/Time: 10/31/2022 2:32 PM

Zero-Emission School Bus Application - Installment 2

Applicant Information

1. Applicant Type: Government		
2. Applicant Name (as it will appear on the contract and IRS W9): Redlands Unified School District		
3. Physical Address: 20 W. Lugonia Ave		
4. City: Redlands	5. State: California	6. ZIP Code: 92377
7. Mailing Address (if different from above):		
8. City:	9. State:	10. ZIP Code:
11. County of Operation: San Bernardino		12. Tax ID 95-2254572

Primary Contact Information

1. First Name: Apolonio		2. Last Name: Del Toro
3. Title: Transportation Manager		4. E-Mail: apolonio_deltoro@redlands.k12.ca.us
5. Phone Number: (909) 307-5370	6. Alternate Contact Number: (909) 307-5370	7. Fax Number: (909) 307-5374

Agreement Signing Authority

1. First Name: MAURICIO		2. Last Name: ARELLANO
3. Title: Superintendent		4. E-Mail: mauricio_arellano@redlands.k12.ca.us
5. Phone Number: (909) 307-5300	6. Alternate Contact Number:	7. Fax Number: (909) 307-5370

EXHIBIT A

Existing Old Bus Information

1. Bus Identification Number: 127	
2. Bus Storage Address: 955 East Citrus Avenue	
3. City, State, Zip Code: Redlands, CA 92374	
4. Total Mileage: 189879	5. Annual Mileage for the Bus: 6100
6. Percent of Miles Traveled within CA: 100.0	7. Bus Make: Thomas
8. Bus Model: HDX	9. Bus Model Year: 2006
10. Gross Vehicle Weight Rating (GVWR): 34000	11. Vehicle Identification Number (VIN): 1T7YU4F2761164343
12. License Plate Number: 1090094	
13. Bus Type: School Bus D	

Engine Information

1. Engine Make: John Deere	2. Engine Model: 8.1
3. Engine Model Year: 2006	4. Horsepower:
5. Engine Serial Number: TBD	
6. EPA-Certified Family Name (e.g., XCEXH0123MAH): TBD	7. Two Stroke Engine: No
8. Displacement:	9. Fuel Type: Compressed Natural gas (CNG)
10. If this has a retrofitted DPF, please list the DPF make, model and serial number:	

New Electric Bus Information

1. New Bus Make: IC	2. New Bus Model: CE3402
3. New Bus Model Year: 2023	4. GVWR:
5. New Bus Type: School Bus C	
6. Range of Electric Bus (in Miles):	7. Total Cost of New Bus:

Proposed New Electric Motor Information

1. Motor Make: IC	2. Motor Model: 1234
3. Motor Model Year: 2023	4. Horsepower: 210
5. EPA-Certified Family Name (e.g., XCEXH0123MAH): TBD	

Electric Bus Charging Station

1. Do you require charging station installation or upgrades to support this bus? Yes

New Electric Bus Dealer Information

1. Dealership Name: Creative Bus Sales		
2. Address: 14740 Ramona Avenue		
3. City: Chino	4. State: CA	5. Zip Code: 91710
6. Contact Name: Mauro Bologna	7. Contact E-Mail: MauroB@creativebussales.com	
8. Contact Phone Number: (909) 765-5528	9. Contact Fax Number: (909) 465-5529	
10. May we share your project information directly with the Dealer? Yes or No Yes		

Signature Form

Signing Authority

Certifications

By signing this Certifications form, I certify that I have read and understand the Eligibility Criteria and Application Guidelines document and agree to adhere to its requirements. Additionally, by signing this Certifications form, I certify to the statements and agree to adhere to the terms and conditions described below:

1. The emission reductions obtained through this program are not required by any federal, state, or local regulation, memorandum of agreement/understanding (MOA/MOU) with a regulatory agency, settlement agreement, mitigation requirement, or other legal mandate.
2. Projects funded by VW Mitigation Trust Funds will not be used as marketable emission reduction credits, to offset any emission reduction obligation, or for credit under any federal or state emission averaging, banking and trading program. In addition, projects funded through this program may not be used to generate a compliance extension or extra credit for determining regulatory compliance.
3. Proposed project has not received funding or is not under agreement with any other air district, ARB, or any other public agency. Any current financial incentive that directly reduces the project cost; including tax credits or deductions, grants, or other public financial assistance for the same engine or equipment; must be disclosed.
4. Any funding received, including funding from other sources, combined with this grant must not exceed the full cost of the new bus.
5. Applicant agrees that the bus identified in this application has a current CHP Safety Certification and agrees to obtain and maintain CHP Safety Certification on the new bus for at least three (3) years from the date that the new bus is put into service.
6. The bus within this application is based within the state of California and operate within the state of California for at least three (3) years from the date the new bus is purchased, unless prior written authorization has been granted by the SJVAPCD to travel outside of the state of California.
7. During the previous 24 months, at least 51% of the total usage of this bus was within California.
8. Bus identified in this application is currently in compliance with the State of California's Truck and Bus Regulation, and Applicant acknowledges that their funding may be reduced if the bus is not in compliance.
9. Applicant understands the VW Mitigation Trust Project Administrator (SJVAPCD), CARB, or their designee maintains the right to inspect the bus at any time during the agreement period.
10. Applicant will not order, purchase, make payment, or take delivery of the new bus without an executed agreement from the VW Mitigation Trust Funds.

I hereby certify that all information provided in this application and any attachments are true and correct to the best of my knowledge.

MAURICIO ARELLANO

Signing Authority Signature

10/31/2022

Date

Exhibit B

DESCRIPTION OF VEHICLE

G-143543-A1
Redlands Unified School District

	Current Bus	New Bus
Make:	Thomas	International
Model:	HDX	CE
VIN:	1T7YU4F2761164343	
Year:	2006	2023
Fleet ID:	127	
	Current Engine	New Engine
Make:	John Deere	Dana
Model:	6081HFN04	TM
Serial #:	RG6081H256228	
Year:	2004	2022
HP:	250	255
GVWR:	37,600	35,000
EPA Family Name:	4JDXH08.1067	NNVX2VOCVXTU
Fuel:	CNG	ELECTRIC

Equipment Usage	
Average Annual Mileage:	6,100
Geographic Area:	San Bernardino
Project Life (reporting length):	3

Estimated Eligible Cost ¹	Grant Amount ^{2, 3}
\$400,070.81	\$400,000.00

¹ Estimated Total Cost may differ from the final invoice amount.

² Grant amount cannot exceed the funding levels specified in the Guidelines (Exhibit C)

³ Funding amounts for non-government owned transit, school, and shuttle buses must not exceed 75 percent of eligible project costs and funding amounts for government owned transit, school, and shuttle buses must not exceed 100 percent of eligible project costs

EXHIBIT C

Volkswagen Mitigation Trust Fund Guidelines



Volkswagen Mitigation Trust Fund Guidelines

Zero-Emission Transit, School and Shuttle Bus Project

Table of Contents

I.	Introduction	1
II.	Project Overview	1
III.	Project Requirements	2
A.	Application Requirements	2
B.	Eligible Applicants.....	3
C.	Requirements for the Old Bus.....	3
D.	Requirements for the New Bus	4
E.	Project Expenditures.....	4
F.	Project Expenditure Limitations	5
G.	Match Funding (Co-Funding)	6
H.	Inspections.....	6
I.	Reimbursement Requirements	6
J.	Vehicle Purchasers.....	11
K.	Resale of Vehicles	12
L.	Vehicle Leasing or Rental Agencies	13
IV.	Project Non-Performance	14
V.	Definitions	14

I. Table of Figures

Table 1: Maximum Funding Expenditures per Bus.....	5
Table 2: Application Processing Flow Chart.....	9
Table 3: Reimbursement Processing Flow Chart	10

Volkswagen Mitigation Trust Fund Guidelines

Zero-Emission Transit, School and Shuttle Bus Project

I. Introduction

The Zero-Emission Transit, School and Shuttle Bus Project is one of the eligible projects included in California's Beneficiary Mitigation Plan¹, developed to summarize how the State of California plans to use the VW Mitigation Trust Funds allocated under the Environmental Mitigation Trust that resulted from the Volkswagen "defeat device" settlement. Past and future excess NOx emissions emitted from Volkswagen vehicles are intended to be mitigated by the actions prescribed in the Environmental Mitigation Trust² (Appendix D)³ and the Beneficiary Mitigation Plan overlays the expectation to further the State's long-term goals. California Air Resources Board (CARB) Board Memo 4.18.2023 serves as an update to the CARB Board on changes to improve implementation of the incentive program, following the guiding principles identified in the Beneficiary Mitigation Plan. These modifications include making minor modifications to the Beneficiary Mitigation Plan to align the incentive funding amounts with other CARB incentive programs.

II. Project Overview

The Zero-Emission Transit, School and Shuttle Bus Project provides funding for new zero-emission replacement buses for owners of transit, school, and shuttle buses. This project mitigates excess NOx emissions, reduces pollution in disadvantaged and low-income communities, supports advanced technology vehicle and equipment deployments and accelerates the zero-emission transformation of the heavy-duty fleet.

The San Joaquin Valley Air Pollution Control District (SJVAPCD) is the Project Administrator for using VW Mitigation Trust Funds to replace eligible transit, school, and shuttle buses throughout the State in accordance with the Project Agreement⁴. The Project Administrator will develop and provide an application process, review applications for completeness and eligibility, and develop a contractual agreement with the eligible applicant to purchase the replacement bus with VW Mitigation Trust Funds.

¹ California's Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust webpage at: <https://ww2.arb.ca.gov/resources/documents/californias-beneficiary-mitigation-plan>

² Volkswagen Environmental Mitigation Trust for California webpage at: <https://ww2.arb.ca.gov/our-work/programs/volkswagen-environmental-mitigation-trust-california>

³ California Air Resources Board, VW Settlement Consent Decrees webpage at: <https://ww2.arb.ca.gov/resources/documents/vw-settlement-consent-decrees>

⁴ Modifications from Board Memo 4.18.2023 will implemented on May 9, 2023 when the Board Memo was posted on the California's Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust webpage and will apply to all applications not yet under an executed contract as of May 9, 2023.

Applicants will complete the application and meet the other requirements of the project such as submitting required documentation, scrapping the old vehicle, and complying with reporting requirements.

III. Project Requirements

A. Application Requirements

1. **Applications:** The applicant for transit, school and shuttle buses must apply through the online application portal for each individual bus.
2. **Statewide:** Applications must be submitted for each individual bus through the web based application portal from entities that own buses domiciled in California and operate primarily within the state of California.
 - a. Applicants must receive prior written authorization from the SJVAPCD for new buses that will travel outside of the state of California at any time during their contract life.
3. **First come, first served:** Applications will be selected on a first come, first served basis based off a complete and eligible application per bus.
4. **Authorization for submittal:** Applicants must obtain authorization for the submittal of the applications and identification of the individual authorized to implement the bus purchase project.
5. **Multiple buses allowed:** Applicants must submit a separate application for each individual bus to be replaced.
6. **No category changes between bins:** The new, replacement bus must match the same category and vocation as the old bus being replaced. HVIP categorization of bus type (transit, shuttle, or school bus) will also be used as reference.
 - a. A case-by-case exemption may be requested to the SJVAPCD in cases related to transit and shuttle buses and usage where the size of the bus changes but the usage type does not.
7. **No Prior Purchases:** Applicants must not purchase, make down payments, become financially committed, or take possession of the new replacement bus under funding consideration prior to the issuance of a completely executed contract that is signed by all parties – doing so will render the project ineligible.
 - a. A fully refundable deposit is allowed, as long as it is clearly stated that the deposit is fully refundable.
8. **Information for reports:** Applicants must include information needed to fulfill the reporting requirements in [Project Reporting](#).
9. **Information to determine eligibility:** Applicants must submit required documentation to determine eligibility of the applicant and of the old bus.

B. Eligible Applicants

1. Eligible Applicants are owners of transit buses, school buses and shuttle buses.
2. Indian Tribes are eligible for this program. In addition, Indian Tribes Beneficiaries (i.e., for federally-recognized Indian Tribes) have entered into their own Environmental Mitigation Trust Agreement. For more information, please visit the Volkswagen Diesel Emissions Environmental Mitigation Trust site at: <https://www.vwenvironmentalmitigationtrust.com/tribe-trust>.
3. Agencies that are the lessors that lease or rent applicable transit, school and shuttle buses to third parties may apply, however, additional requirements must be met. These requirements are specified in [Vehicle Leasing or Rental Agencies](#).

C. Requirements for the Old Bus

1. Only buses with internal combustion engines are eligible
2. Fuel type of the old bus can be gasoline, diesel, or compressed natural gas (CNG), or propane
3. Engine Model Year of the old school bus must be 2006 or older
4. Engine Model Year of the old transit or shuttle bus must be 2012 or older
5. Gross Vehicle Weight Rating (GVWR) must be 14,001 pounds or greater
6. Old bus must be currently registered with DMV registration at the time of application submission
7. Current California Highway Patrol (CHP) certification for school buses is required
8. All old school buses may be eligible regardless of their compliance with the Truck and Bus Regulation. However, noncompliant school buses are subject to additional funding limitations specified in [Project Expenditure Limitations](#)
9. Compliance with the Truck and Bus Regulation must be submitted with the application. Acceptable documentation includes, but is not limited to, any of the following:
 - a. Invoice(s) for the purchase of the Diesel Particulate Filter (DPF) and its installation on the old bus specified on the application.
 - b. Pictures of the DPF on the bus engine specified on the application. The pictures must be able to identify both the DPF and the old bus.
 - c. CHP 292 school bus safety inspection of the installed DPF on the old bus specified on the application.
 - d. Compliance certificate from CARB TRUCRS database.
10. Applicants must be in compliance with all CARB regulations
11. Although there is no minimum annual mileage requirement, the old bus must be a current, in-use, and operational bus.

12. For the purposes of calculating the NOx reductions of the project, applicant must submit the annual mileage of the bus on the application
 - a. Due to the impacts of COVID-19, applicants can submit as the annual mileage what the annual mileage of the old bus would have normally been if the old bus was not replaced.

D. Requirements for the New Bus

1. **Zero emission:** Hydrogen fuel cell and battery electric-powered vehicle technologies are eligible projects. Eligible buses must be listed as an Eligible Vehicle for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and listed on the HVIP website at www.californiahvip.org/. SJVAPCD may consider other zero emission technologies for eligibility on a case by case basis, subject to approval by CARB. HVIP categorization of bus type (transit, shuttle, or school bus) will also be used as reference.
2. **New Vehicle:** The vehicle must be a new vehicle as defined in California Vehicle Code Section 430.
3. **Not converted:** SJVAPCD and CARB does not consider a new vehicle to be a new chassis that has been converted with aftermarket parts or equipment to create a zero-emission vehicle, unless the completed zero emission vehicle has obtained CARB new vehicle certification. Eligible vehicles (and vehicle chassis) must be new and not yet have been registered in any state or paid for by the purchaser (other than a vehicle down payment). Used vehicles (including vehicles used by dealers, manufacturers, or other entities or for demonstration purposes) are not eligible.
4. **GVWR 14,001 pounds or greater:** Zero-emission vehicle makes/models must be 14,001 pounds GVWR or greater.
5. **CARB certified:** The manufacturer must have obtained CARB approval/certification of the vehicle model.
6. **Stacking Eligibility:** Stacking VW Mitigation Trust Funds with HVIP funds and other CARB and State programs that do not claim NOx emission reductions are allowed. Applicants are responsible for verifying that any additional funding sources can be stacked with VW Mitigation Trust Funds. SJVAPCD reserves the right to request information regarding other funding sources. For additional information regarding match funding, please see section [Match Funding](#)
7. **CHP certification:** Current CHP 292 certification is required for the new school bus.

E. Project Expenditures

1. **Eligible Costs:** Eligible costs include purchase price and taxes for new eligible bus.
2. **Maximum Project Funding Expenditures:** Listed in Table 1: Maximum

Funding Expenditures per Bus.

Table 1: Maximum Funding Expenditures per Bus

New Bus	Maximum Funding Level
Battery Electric Transit bus	\$216,000
Fuel Cell Transit bus*	\$480,000
Electric School bus (replacing a compliant old bus)	\$400,000
Electric School bus (replacing a non-compliant old bus)	\$380,000
Electric Shuttle bus	\$192,000

*Although only transit agencies can apply for Transit Bus Component, applicants that are replacing a transit-style bus with a fuel cell transit-style bus may be eligible to receive \$480,000 if that project would have been approved for \$480,000 had the applicant been a transit agency.

F. Project Expenditure Limitations

1. **Category Funding Limitation:** Of the three bus categories – transit, school bus, and shuttle – funding for a single bus category must not exceed 50 percent of the available VW Mitigation Trust Funds, including earned interest, in each installment.
 - a. Beginning January 1, 2024, this category funding limitation will be removed.
2. **Equipment Options:** While not specifying any particular ineligible equipment options, SJVAPCD reserves the right to deny reimbursement for non-standard accessories and equipment considered excessive peripheral costs. The applicant may still choose to purchase these options, however, they are not eligible for reimbursement nor will they be used in the calculation of the limitations of funding amounts specified below.
3. **Bus Funding Limitation:** Funding amounts for buses must not exceed actual project costs.
4. **Non-government owned limitation:** Funding amounts for non-government owned transit, school, and shuttle buses must not exceed 75 percent of project costs.
5. **Non-Compliant School Bus:** For school buses that are not compliant with the CARB Truck and Bus Regulation, the maximum funding amounts will be reduced by \$20,000 to account for the cost of compliance through the purchase of a DPF.
6. **Multiple Funds Limitation:** Selected applicants may not receive more funds than the eligible project costs, whether funded solely with the VW Mitigation Trust Funds or funded with multiple funding sources.
7. **Leasing Limitations:** Replacement bus owners can lease the buses purchased using VW Mitigation Trust Funds to third parties, provided the following requirements are met:

- a. Lease agreement must be a minimum of 36 months
 - b. Lease agreements must contain program requirements, including, but not limited to: requirements of the new bus, contract requirements, record requirements, reporting requirements. Additional requirements can be found in Section [Vehicle Leasing or Rental Agencies](#)
- 8. Returned VW Mitigation Trust Funds:** The SJVAPCD must spend returned trust funds on eligible projects, or return trust funds to the Trustee.
- 9. Unspent VW Mitigation Trust Funds:** CARB Executive Officer or designee reserves the right in his or her sole discretion to award any remaining unspent trust funds to another Project Administrator or other mitigation projects.

G. Match Funding (Co-Funding)

Match funding from the applicant is encouraged and required for school bus purchases (at least 5 percent) and all non-government owned purchases (at least 25 percent). For school bus purchases, the cost of the required infrastructure for the new, replacement bus is used to meet the required 5 percent match.

Match funding may include funding from other State, local, federal, non-profit, or private revenue sources that do not claim NOx emission reductions. Applicants are responsible for verifying that any additional funding sources can be stacked with VW Mitigation Trust Funds. SJVAPCD reserves the right to request information regarding other funding sources used on VW Mitigation Trust Fund projects..

Specific to EPA DERA match funding, VW Mitigation Trust Funds cannot be used as the applicant's required match.

The applicant must report all match funding amounts and sources to SJVAPCD prior to contract and again during the reimbursement process.

H. Inspections

SJVAPCD will perform inspections, as required by CARB, to verify engine/equipment information, eligibility, destruction of the old engine/equipment and funding amounts. SJVAPCD will perform inspections via submission of documentation, pictures, invoices, or other documentation with assistance from the applicant, new bus dealer, and/or dismantler/recycler, and/or the SJVAPCD or their designee. The SJVAPCD reserves the right to conduct any physical inspections or to select a designee to conduct physical inspections. The old engine/equipment must be scrapped by a CA-licensed dismantler, or other dismantling entity that has been approved by the SJVAPCD.

I. Reimbursement Requirements

Contract must be fully executed before the new bus can be purchased or the old bus can be dismantled. No payments will be made until the all required documentation has

been submitted and all inspections have been completed. The reimbursement process begins when the applicant submits the Claim for Payment Packet and the Records Required for Payments. Applicants may begin the dismantling inspection process and/or new bus inspection process after the contract has been executed and prior to the submission of the Claim for Payment Packet, however, the reimbursement process does not begin until the Claim for Payment Packet has been submitted.

1. SJVAPCD receives Purchase Order for the new bus. Purchase Order is to be dated after the date of contract execution.
 - a. Purchase Order to be submitted within **90 days** of contract execution.
2. The vendor delivers the new bus to the selected applicant.
 - a. Delivery of new bus is estimated to be within **12 months** of the Purchase Order date.
3. SJVAPCD receives proof that the old bus has been scrapped.
 - a. The old bus must be scrapped within **60 days** of the receipt of the new bus.
 - b. The selected applicant will submit a Notice to Dismantle Form and a Self-Certification Affidavit to SJVAPCD before taking the current bus to an approved Dismantler.
 - c. SJVAPCD will coordinate an inspection of the dismantling of the current bus with the selected applicant and/or the Dismantler.
 - d. The selected applicant to submit the Verification of Vehicle Destruction filled out and signed by both the selected applicant and the Dismantler.
 - e. SJVAPCD completes an inspection report of the dismantling.
 - f. The selected applicant to submit the REG 42 Form, obtained from the Dismantler, to the SJVAPCD.
4. SJVAPCD receives proof that the new bus has been received and is in operating condition.
 - a. The selected applicant to submit a Self-Certification Affidavit and Verification of Replacement Bus Information Form to SJVAPCD.
 - b. SJVAPCD will coordinate an inspection of the new bus with the selected applicant.
 - c. SJVAPCD completes an inspection report of the new bus.
 - d. The selected applicant to submit the proof of current insurance, DMV Registration, and Title to the SJVAPCD.
 - e. (For school buses only) CHP has inspected school buses and has completed written documentation signifying that the school bus is safe to operate with children aboard and the applicant has provided a copy of the documentation to the SJVAPCD.

5. SJVAPCD receives complete and signed Records Required for Payments (listed above) from the selected applicant.
6. SJVAPCD receives Disclosure and Self-Certification of Funds Affidavit from the selected applicant that confirms match funds do not claim NOx emission reductions.
7. Project Implementation to be completed within **18 months** of contract execution.

Table 2: Application Processing Flow Chart

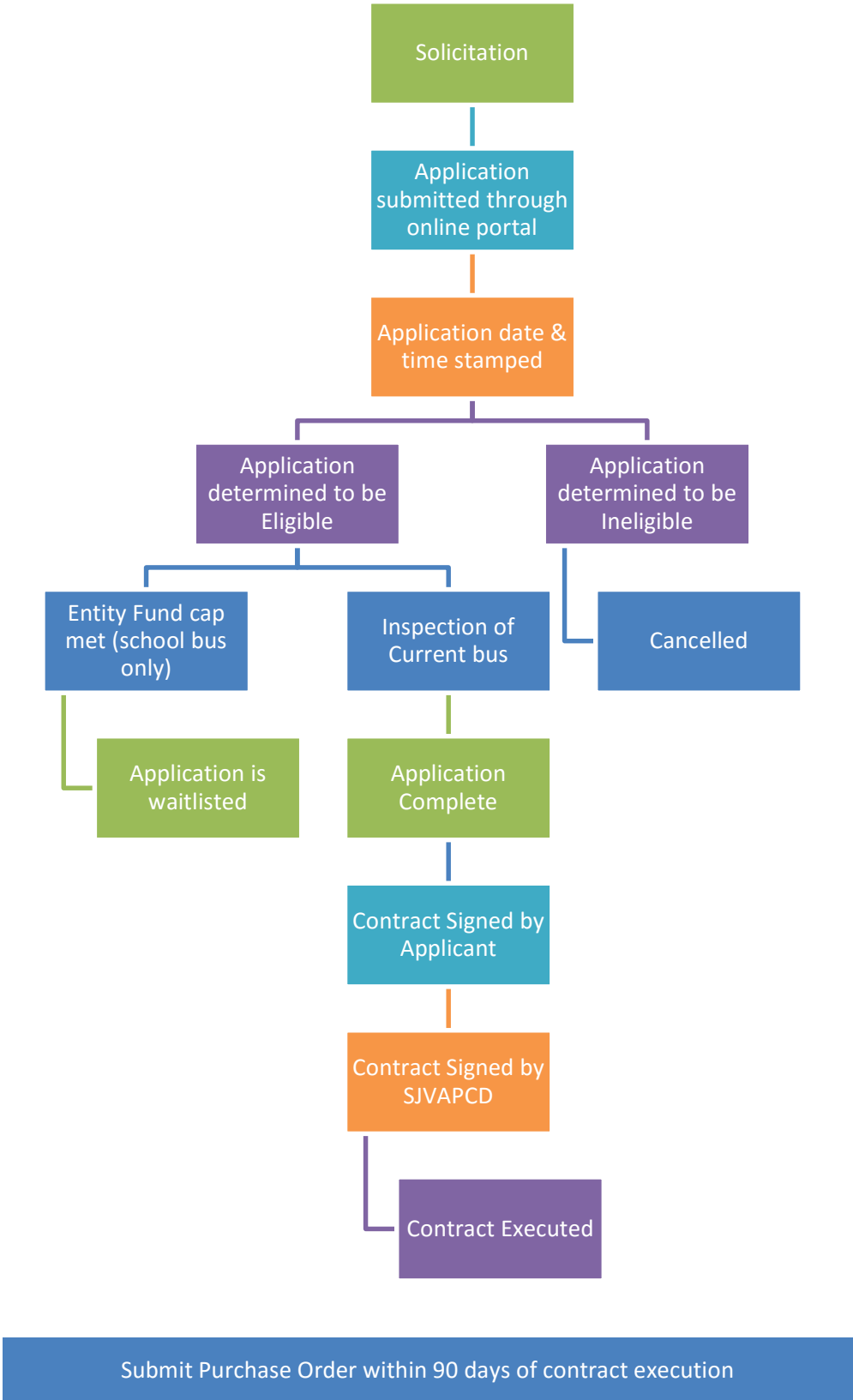
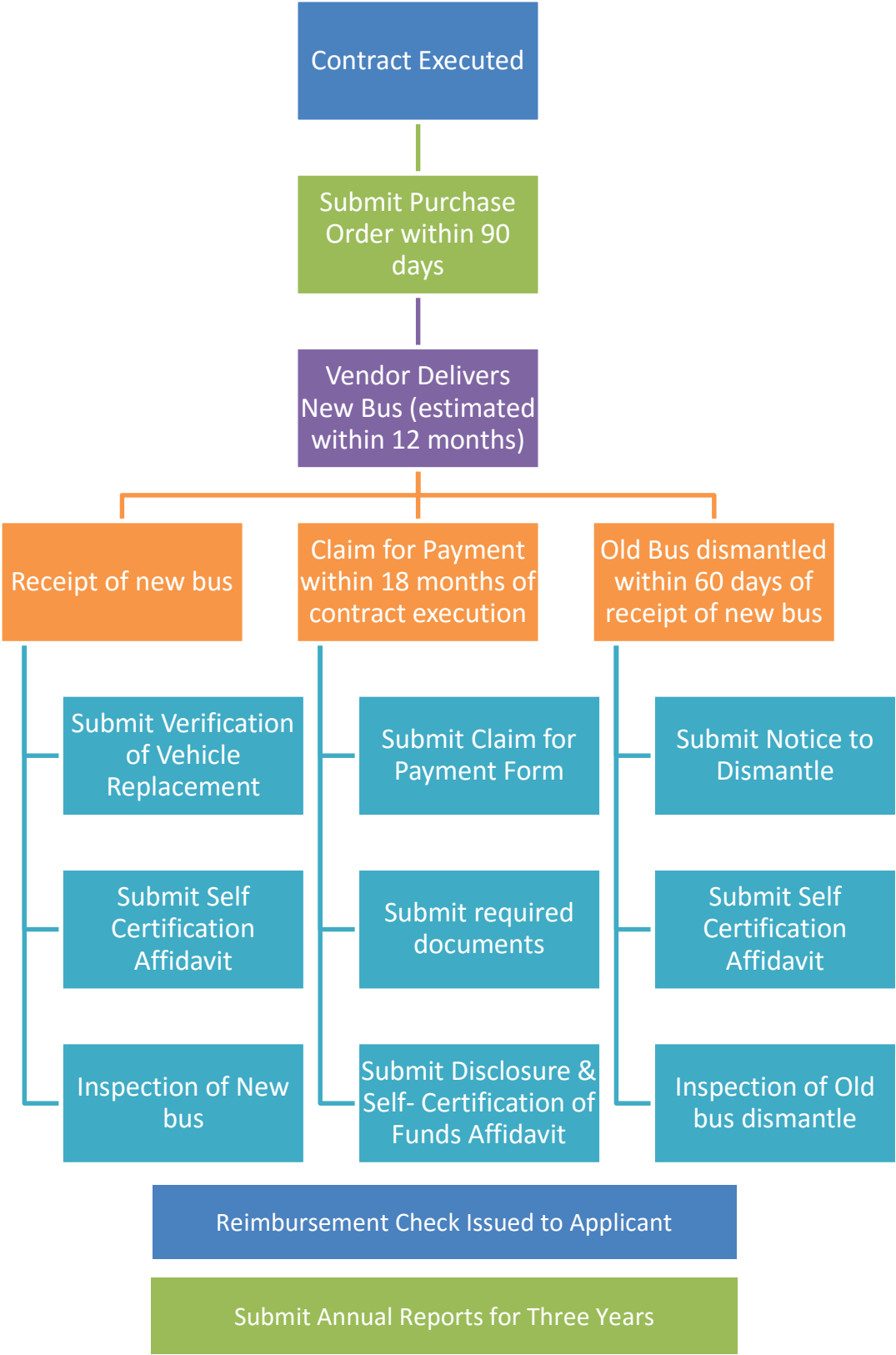


Table 3: Reimbursement Processing Flow Chart



J. Vehicle Purchasers

1. **Responsibilities for Vehicle Purchasers:** The bus purchaser is responsible for completing an application, executing a contract with SJVAPCD, complying with the terms of the contract, and obtaining funding for or paying the match portion of the vehicle cost.
2. **Requirements for Vehicle Purchasers:** The bus purchaser must be an individual, business, non-profit, or government entity that is based in California or has a California-based affiliate. A bus leasing/rental agency based outside of California is also eligible if the vehicle is leased/rented to an entity that will meet all operational, reporting, and other applicable requirements.
3. **Restriction for Vehicle manufacturers and Dealers:** Vehicle manufacturers and dealers may apply for no more than two vehicles in each installment. This applies to vehicles the manufacturer produces and for vehicles the dealer makes available for sale. Vehicle manufacturers and dealers will be required to provide SJVAPCD and CARB additional information including, but not limited to, manufacturing costs and dealer invoice or acquisition costs. If a vehicle manufacturer or dealer chooses to purchase a vehicle they do not produce or sell, then this condition will not apply.
4. **Insurance Requirement:** Maintain insurance as required by law. If an accident or other cause destroys or otherwise renders permanently inoperable the purchased vehicle, the bus purchaser must notify SJVAPCD within one week of the occurrence. The written notification must provide proof that the funded vehicle has become inoperable, including photographs of the inoperable vehicle with license plates or other identifying markings, as well as any applicable insurance or police documentation.
5. **Expectation to Operate:** SJVAPCD expects the vehicle to operate primarily in California for three years after purchase.
6. **Prohibition to Modify Vehicle:** Not make or allow any modifications to the vehicle's emissions control systems, hardware, or software calibrations, (Vehicle Code Section 27156), and not install any combustion source such as a fuel fired heater.
7. **Reporting Requirement:** Submit annual activity reports for three years. SJVAPCD requires the funded vehicle owner to complete activity reports. SJVAPCD and CARB reserve the right to bar a fleet that does not provide timely and accurate usage surveys/questionnaires as required from future project participation.
8. **Access to DMV Records:** Allow CARB, SJVAPCD, or their designees to verify the bus registration with the DMV for three years after initial registration.
9. **Inspection Availability:** Be available for follow-up inspection if requested by the SJVAPCD, CARB, or designees.
10. **Penalty for Falsifying Information:** The bus purchaser is responsible for ensuring the accuracy of the vehicle and purchaser information on the application

forms. SJVAPCD and CARB may consider submission of false information on these forms a criminal offense, punishable under penalty of perjury under the laws of the State of California.

- 11. Requirement to Maintain Records:** Bus purchasers must keep written records of the bus purchase for buses funded with mitigation trust funds – including the vehicle invoice, proof of purchase, and DMV records – for the contract term plus three years.
- 12. Requirement to Provide Records:** A bus purchaser must provide SJVAPCD, CARB, or its designees with all requested information related to any bus purchased with mitigation trust funds within ten days of a written request for such information. Requested information may include but is not limited to purchase orders or agreements, vehicle payment information and related bank records, and purchaser fleet information. SJVAPCD and CARB may require selected applicants that submit false information to return the full mitigation trust fund amount and may exclude them from future project participation. In addition, SJVAPCD and CARB may pursue other remedies available under the law.
- 13. Requirement for Annual Reports:** The bus purchaser will provide annual reports to the SJVAPCD 12, 24, and 36 months after the new bus is in service. The SJVAPCD will generate an Annual Report for the bus purchaser to fill out and return. The Annual Report will include, but not be limited to, total miles traveled during the reporting period, odometer reading, and percent the bus was used in CA, and identification of any conditions that significantly affected the annual usage of the new bus.

K. Resale of Vehicles

- 1. Notification of Intent to Resell:** The original vehicle purchaser must notify SJVAPCD in writing of its intent to sell the vehicle at least seven calendar days prior to the vehicle resale.
- 2. CARB Approval:** CARB and SJVAPCD expects selected applicants to keep the vehicle and meet all applicable project requirements for a minimum three-year period after the vehicle purchase date. However, unforeseen or unavoidable circumstances may allow for the resale of a vehicle within this three-year period. Resale of a funded vehicle must receive SJVAPCD and CARB written approval prior to resale.
- 3. Prohibition To Resell More Than Once in Three-Year Project Life:** A funded vehicle may not be resold more than once within three years of the original purchase date.
- 4. Contract Amendment (Novation):** For vehicles resold within three years of the original vehicle purchase date (and after SJVAPCD and CARB provides written approval), the original vehicle purchaser must inform the new purchaser in writing about the project requirements – by sharing a copy of the project contract. The new vehicle purchaser must agree in writing to meet all applicable requirements

of original vehicle purchasers – by signing an amended version of the project contract with SJVAPCD.

- 5. Notification of Resell:** Within seven calendar days after the vehicle resale, the original vehicle or purchaser must notify SJVAPCD that the vehicle has been resold and provide the mailing address, phone number and email (if any) of the purchaser as well as the vehicle resale price.
- 6. Information Required from Second Owner During Three-Year Project Life:** Within thirty calendar days after the vehicle resale, the entity buying the vehicle from the original vehicle purchaser must also provide SJVAPCD with:
 - a. Mailing address
 - b. Phone number and email (if any)
 - c. A copy of the new DMV title documenting the vehicle resale
 - d. A written commitment to meet the project requirements
 - e. A written commitment to complete and return the annual usage survey/questionnaire as required by the project contract.
- 7. Prorated Funds for Resell or Moving Out-of-State:** For funded vehicles resold or moved out of the State, the vehicle purchaser must refund promptly to SJVAPCD a prorated portion of their mitigation trust funds received, in an amount equivalent to the original amount divided by 36 months and then multiplied by the number of months remaining in the original 60 month period (rounded to the nearest month): $(\text{Original Voucher Amount} \div 36 \text{ Months}) \times (36 - \text{months since vehicle purchase date})$.
- 8. Pursuit of Remedies for Noncompliance:** SJVAPCD and CARB reserve the right to pursue all remedies available under the law for noncompliance with these requirements.

L. Vehicle Leasing or Rental Agencies

Any vehicle lease or rental entity that leases or rents a vehicle purchased with VW Mitigation Trust Funds maintains responsibility for all recordkeeping and reporting requirements, and must disclose the recordkeeping and reporting requirements to the vehicle renter or lessee. The lease or rental agreement must include all commitments needed from the lessee or renter to ensure that:

1. The vehicle operates primarily in California as required by the contract with SJVAPCD; and
2. The lease must ensure that all required annual activity reports are submitted to SJVAPCD.

SJVAPCD, CARB or its designees reserve the right to review lease or rental agreements to confirm appropriate disclosures are made regarding VW Mitigation Trust Funds received and vehicle activity and reporting requirements. Selected applicants must provide SJVAPCD, CARB, or its designee all requested information related to any

vehicle purchased with VW Mitigation Trust Funds (including lease or rental agreements) within ten days of SJVAPCD or CARB's written request for such information. The selected applicant (i.e. the lessor for lease agreements) is responsible for ensuring annual activity reports are accurate and are submitted as required. SJVAPCD provides a contract at time of vehicle purchase only, and not at the time a vehicle is leased or rented.

IV. Project Non-Performance

SJVAPCD, CARB or its designee has the authority to recoup VW Mitigation Trust Funds received based upon misinformation or fraud, or for which SJVAPCD or its subcontractors, a dealership, manufacturer, or vehicle purchaser is in significant or continual non-compliance with this Implementation Manual or State law. SJVAPCD and CARB also retains the authority to prohibit any entity from participating in other incentive programs due to non-compliance with project requirements.

V. Definitions

“Administrative Expenditure” means those administrative expenditures specified in Appendix D-2 of the Environmental Mitigation Trust.

“All-Electric” means powered exclusively by electricity provided by a battery, fuel cell, or the grid.

“Beneficiary Mitigation Plan” is the document that contains the eligible mitigation actions (projects) for California that the California Air Resources Board (CARB or Board) will fund from the State's \$423 million allocation of the Environmental Mitigation Trust. Including Board Memo 4.18.2023 and Attachment 1 to Board Memo 4.18.2023 ⁵

“CARB-Certified” means a vehicle that has been certified and issued an Executive Order by CARB.

“Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses)” means vehicles with a Gross Vehicle Weight Rating (GVWR) 14,001.pounds or greater used for transporting people. See definition for School Bus below.

“CNG” means Compressed Natural Gas.

“Confidential Information” means information or data that is considered confidential under relevant state or federal laws, including but not limited to, application records and supporting documentation that personally identifies or describes an individual or individuals (see California Civil Code sections 1798, et seq.). Confidential fields include social security numbers and Driver's License numbers.

“Consent Decree” means the First Partial Consent Decree in In re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation, MDL No.

⁵ California's Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust webpage at: <https://ww2.arb.ca.gov/resources/documents/californias-beneficiary-mitigation-plan>

2672 CRB (JSC) (Dkt. No. 2103-1), and the Second Partial Consent Decree in that case (Dkt. No. 3228-1).

“Eligible Mitigation Action” means any of the actions listed in Appendix D-2 of the Environmental Mitigation Trust.

“Environmental Mitigation Trust” means The Trust funded with Mitigation Trust Payments according to the terms of the First Partial Consent Decree and the Second Partial Consent Decree (jointly, the “Consent Decree”)

“Expend” for the purpose of this program means the payment of funds on an invoice for an eligible vehicle.

“Fast charge compatible” means battery-electric fast-charge compatible vehicles must:

1. Be equipped to utilize direct current Level 3 fast chargers;
2. Be capable of charging from 15 percent state-of-charge to 85 percent state-of-charge within one-half hour (.5hr); and
3. Demonstrate that typical operating time is at least 8 times typical charging time (i.e. a vehicle must be capable of operating for 8 minutes for each minute of charge time).

“Government” means a State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village. The term “State” means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

“Gross Vehicle Weight Rating (GVWR)” means the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

Class 1: < 6000 pounds

Class 2: 6001-10,000 pounds

Class 3: 10,001-14,000 pounds

Class 4: 14,001-16,000 pounds

Class 5: 16,001-19,500 pounds

Class 6: 19,501-26,000 pounds

Class 7: 26,001-33,000 pounds

Class 8: > 33,001 pounds

“Hybrid” means a vehicle that combines an internal combustion engine with a battery and electric motor.

“Hydrogen Fuel Cell Vehicle” means a ZEV that is fueled primarily by hydrogen, but may also have off-vehicle charge capability.

“Infrastructure” means the equipment used to enable the use of electric powered vehicles (e.g., electric vehicle charging station).

“Match funding” means those funds contributed by the Project Administrator, selected applicant, or other entity for the sole purposes of completely funding vehicles.

“Mitigation Action” means Eligible Project and is any of the actions listed in Appendix D-2 of the Environmental Mitigation Trust.

“Plug-in Hybrid Electric Vehicle (PHEV)” means a vehicle that is similar to a Hybrid but is equipped with a larger, more advanced battery that allows the vehicle to be plugged in and recharged in addition to refueling with gasoline. This larger battery allows a driver to operate the car on a combination of electric and gasoline fuels.

“Project Administrator” is SJVAPCD, which is the entity selected by CARB to administer this project. This Implementation Manual and the Project Agreement between CARB and the SJVAPCD describes the responsibilities of the SJVAPCD. The SJVAPCD is responsible for ensuring it and any subcontractors meet all project requirements.

“Repower” means to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-Electric and fuel cell Repowers do not require EPA or CARB certification.

“School Bus” means a Class 4-8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. May be Type A-D. HVIP categorization of bus type (transit, shuttle, or school bus) will also be used as reference.

“Scrapped” means to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any Eligible Vehicle will be replaced as part of an Eligible project, scrapped also includes the disabling of the chassis by cutting the vehicle’s frame rails completely in half.

“Shuttle Bus” for the purposes of this program means an on-road with a GVWR of 14,001 pounds or greater normally powered by a heavy-duty engine fueled by diesel or alternative fuel, that transports passengers between two predetermined, fixed destinations on a fixed schedule. HVIP categorization of bus type (transit, shuttle, or school bus) will also be used as reference.

“Transit bus” for the purposes of this program means an on-road vehicle with a GVWR of 14,001 pounds or greater normally powered by a heavy-duty engine fueled by diesel or alternative fuel, owned or operated by a transit agency, operated by a city or county government; a transportation district / transit district; or a public agency, including paratransit services including urban buses. HVIP categorization of bus type (transit, shuttle, or school bus) will also be used as reference.

“Zero-emission vehicle (ZEV)” means a vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) from the onboard source of power (e.g., All-Electric or hydrogen fuel cell vehicles) when stationary or operating.



REDLANDS UNIFIED SCHOOL DISTRICT
P.O. BOX 3008
REDLANDS, CA 92373-1508
Phone: (909) 748-6715
Fax: (909) 307-5325

PURCHASE ORDER NUMBER

243156

Show this number on all shipments,
correspondence, and invoices.

Date: 11/29/2023

Description: TAGGABLE EQUIP/TRAN

Vendor: 035862-06 Attn: ALEXANDER RAMIREZ
Phone: (916) 212-0938 FAX: (916) 596-4055
Email: ALEXR@CREATIVEBUSSALES.COM

CREATIVE BUS SALES
MODEL 1 COMMERCIAL VEHICLES INC
9225 PRIORITY WAY WEST DR STE 300
INDIANAPOLIS, IN 46240

Ship
To:

Attn: Sam Anderson
Redlands USD Transportation
955 E. Citrus Ave.
Redlands, CA 92374
Phone: (909) 307-5370

FOB		SHIP VIA		BUYER		PAYMENT TERMS			
		Bestway		CHRISTINE PEREZ					
REQ. #		REQUESTOR		LOCATION		BLDG/DEPT		ROOM	
005560		KIMBERLY MILLS		Transportation		TRANSPORTATION			

#	Qty	Unit	Description	Unit Price	P/C	Ext. Total
1	1.00	EA	Bus purchase will be reimbursed under CARB Grant (Agreement G-143543-A1). DESCRIPTION OF VEHICLE: IC BUS MODEL CE SCHOOL BUS PIGGYBACK BID: #2122-SC11-01-C 01-0000-0-0000-3600-6460-990-TRAN	\$400,070.8100	\$0.00	\$400,070.81
				\$400,070.81		

Item Number(s)	Date	Qty Rec'd	Signature

SUBTOTAL:	\$400,070.81
SALES TAX:	\$0.00
SHIPPING:	\$0.00
TOTAL:	\$400,070.81

Authorized Signature

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Page 1 of 1