Sacramento Metropolitan Air Quality Management District

Program Review Report

Crowe LLP - Agreement No. 23MSC003

Prepared for the California Air Resources Board and the
California Environmental Protection Agency

April 15, 2026

Disclaimer

The statements and conclusions in this Report are those of Crowe LLP and not necessarily those of the California Air Resources Board. The mention of commercial products, their source, or their use in connection with material reported herein is not to be construed as actual or implied endorsement of such products.

Crowe conducted this Program Review in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). The term Program Review or review used within this report does not refer to an audit or examination of the subject matter.

Acknowledgment

Crowe LLP (Crowe) worked collaboratively with the Sacramento Metropolitan Air Quality Management District (Sac Metro, Sac Metro AQMD, SMAQMD, or the Grantee) and California Air Resources Board (CARB) to complete the Program Review. During informational calls with SMAQMD, Crowe met with the following personnel:

SMAQMD Management Team

- Jaime Lemus, Director, Transportation and Climate Change Division
- Patricia Kepner, Controller, Administration Division
- Paul Philley, Program Manager, Transportation and Climate Change Division
- Michael Neuenburg, Program Supervisor, Transportation and Climate Change Division

CARB Team

- Tess Sicat, Air Resources Supervisor II
- Monica Guerra, Air Resources Supervisor II
- Peter Christensen, Air Resources Supervisor II
- Lisa Macumber, Air Resources Supervisor II
- Rhonda Runyon, Air Resources Supervisor I
- Dianne Sanchez, Air Resources Supervisor I
- Nathan Dean, Air Resources Supervisor I
- Aaron Hilliard, Air Resources Supervisor I
- Yvonne Sanchez, Air Resources Engineer
- Vicky Hanks, Air Pollution Specialist
- Kreston Tom, Air Pollution Specialist
- Deborah Paselk, Staff Air Pollution Specialist
- Erin Uchida, Staff Air Pollution Specialist
- Peter Angelonides, Air Pollution Specialist
- Kyle Goff, Air Pollution Specialist
- Ashley Goldlist, Air Pollution Specialist

This Report was submitted in fulfillment of Agreement No. 23MSC003 and the Sacramento Metropolitan Air Quality Management District Program Review performed by Crowe LLP under the [partial] sponsorship by the California Air Resources Board.

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Executive Summary

A. Background

The California Air Resources Board (CARB) is responsible for the oversight of several air quality management and incentives programs, including the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP), the Community Air Protection (CAP) Incentive Program, the Funding Agriculture Replacement Measures for Emission Reductions (FARMER) Program, and the Clean Cars 4 All (CC4A) Program. As part of this oversight responsibility, CARB contracted with Crowe LLP (Crowe or Program Review staff) to conduct this Program Review[1] in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants of the incentive programs implemented by the Sacramento Metropolitan Air Quality Management District (Sac Metro, Sac Metro AQMD, SMAQMD, or the Grantee).

The CMP is a voluntary incentive program that provides grants to help fund the early replacement, repower, or retrofit of heavy-duty engines and equipment with cleaner-than-required technologies. The program aims to achieve surplus emission reductions of nitrogen oxides (NO_x), reactive organic gases (ROG), and particulate matter (PM) beyond existing regulations, accelerating progress toward state and federal air quality standards while delivering public health benefits, especially in communities impacted by air pollution.

CAP provides targeted grant funding to reduce air pollution in communities that are disproportionately impacted by poor air quality, particularly those identified through the state's community air protection efforts. The program supports the deployment of cleaner technologies to achieve direct, local emission reductions of pollutants like NO_x and PM. CAP is designed to complement community-driven air quality plans and deliver measurable health and environmental benefits where they are needed most.

The FARMER program provides financial incentives to help agricultural operators replace older, high-emission equipment with cleaner, more efficient alternatives. Administered by CARB and implemented through local air districts, the program supports the replacement of agricultural tractors, harvesters, pump engines, and other farm equipment with lower-emission, zero-emission, or advanced-technology models. FARMER aims to achieve voluntary, surplus reductions of nitrogen oxides and particulate matter from the agricultural sector while supporting farmers in modernizing equipment and improving air quality in rural and disadvantaged communities.

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[1] A Program Review is an evaluation of district and/or non-district incentive program that focuses on whether funded projects meet requirements of the incentive program. CARB developed program review policies and procedures that provide additional information on program reviews.

The Clean Cars 4 All program, a program to provides assistance to low-income Californians to replace older, high-polluting vehicles with cleaner transportation options, such as electric or hybrid cars, public transit passes, or e-bikes. CARB engaged with Sac Metro to administer the CC4A program in its respective jurisdiction. In addition, the Grantee was responsible for coordinating with the Access Clean California administrator to develop and implement Access Clean California and establish an application programming interface (API) integration with Access Clean California's benefits finder.

CARB incentive program reviews serve the public interest for transparency and accountability, helping to determine that expenditures of State funds achieve intended outcomes and are within legal requirements. This report describes the scope of the program review, projects selected for detailed testing, the resulting findings and recommendations, and the District's commendable efforts. Under the established policies and procedures for program reviews, the District has 15 days from the date of this report's cover letter to submit comments. Crowe's report and the District's response will then be posted on the CARB Incentive Program Audits and Program Reviews website. Crowe staff began the Sac Metro program review in January 2026 and completed it in April 2026.

B. Program Review Process

The Program Review encompassed an evaluation of the Sac Metro's application process, application review process, financial reporting, marketing and outreach strategies, and reporting measures. Program Review staff obtained and evaluated applicable policies, incentive program guidelines, and agreements, state administrative requirements, and general accounting procedures. Program Review staff then met with Sac Metro and CARB personnel to gain a high-level understanding of guiding laws, regulations, rules, policies, grant agreements, and guidelines. Program Review staff submitted multiple data requests throughout the Program Review and conducted walk-throughs of processes with Grantee subject matter experts (SMEs). Program Review staff developed a sample of applicants from which to conduct analyses and request applicant file documentation. Program Review staff conducted follow-up correspondence with the Grantee to validate project file contents, request explanations, and/or obtain additional data and information. Program Review staff also obtained financial records to support how the Grantee spent funds. Program Review staff reviewed financial information but did not conduct testing of financial data. Program Review staff synthesized the data and results of detailed testing to develop findings, recommendations, and commendable efforts.

C. Results

Program Review staff identified no findings during the Program Review. Program Review staff identified nine (9) program-specific recommendations. Program Review staff identified three (3) general commendable efforts that extended across multiple programs reviewed, and fifteen (15) program-specific commendable efforts. **Exhibit 1** outlines the findings, recommendations and commendable efforts identified by Crowe. Section 3 of this report provides program-specific recommendations and commendable efforts.

Exhibit 1
Count of Findings, Recommendations, and Commendable Efforts by Program

Program	Findings	Recommendations	Commendable Efforts
1. General	n/a	n/a	3
2. CMP	n/a	4	6
3. CAP	n/a	1	2
4. FARMER	n/a	2	2
5. CC4A	n/a	2	5
Total	n/a	**9**	**18**

D. Conclusion

Crowe determined that Sac Metro operated the incentive programs in accordance with the requirements of the Guidelines for the CARB and Sac Metro Grant Agreement Terms and Conditions, during fiscal years 2018-19 (CAP and FARMER), 2019-20 (CMP), and 2021-22 (CC4A). Across these fiscal years, Sac Metro administered $24.2 million in grant awards, representing the total funding within the scope of this program review, across the Carl Moyer Program (CMP), Community Air Protection (CAP) Incentives Program, Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program, and Clean Cars 4 All (CC4A) Program, funding a total of 141 projects. Collectively, CMP, CAP, and FARMER programs achieved an estimated reduction of 67.31 tons[2] per year of NO_x, ROG, and PM, based on reported emissions reductions summarized in Appendix B (Exhibits 7, 12, and 17), representing a significant investment in cleaner air and reduced emissions across Sacramento County and participating districts. Sac Metro achieved the emissions reduction objectives of its programs and promoted the adoption of clean vehicles across California.

[2] All emissions in this report are expressed in short tons (2,000 pounds).

1. Introduction

CARB conducts periodic reviews of air district incentive programs to confirm that expenditures of grant funds comply with program guidelines and statutory requirements. Projects are selected for review based on a risk assessment and reflect a representative mix of funds expended during the fiscal years under review. The findings in this report pertain only to the specific projects examined and are not intended to apply more broadly to other projects or districts.

Sac Metro is the local air quality agency responsible for protecting and improving air quality for residents and businesses throughout Sacramento County. Established in 1996 under California Health and Safety Code Sections 40960 et seq., Sac Metro monitors air pollution, develops and enforces air quality regulations, and administers programs designed to reduce emissions from stationary, mobile, and area sources in order to meet state and federal health-based air quality standards. Sac Metro operates within the Sacramento Federal Ozone Nonattainment Area, a regional air basin that includes Sacramento and surrounding counties and faces ongoing challenges related to ozone and particulate matter pollution, vehicle emissions, and seasonal wildfire smoke[3]. Sac Metro is governed by a 14-member Board of Directors composed of representatives from the Sacramento County Board of Supervisors and several cities within the county, including Sacramento, Elk Grove, Citrus Heights, Folsom, Rancho Cordova, and representatives for the cities of Galt and Isleton.[4]

Sac Metro operates with an annual budget of approximately $40 million and employs nearly 100 staff, including engineers, air quality specialists, planners, scientists, and administrative professionals dedicated to protecting public health and the environment. They administer a broad range of regulatory and incentive-based programs, including stationary source permitting and compliance, air quality monitoring, rule development, emissions inventory and planning, and public outreach initiatives such as the Spare The Air program. In addition to regulatory activities, Sac Metro manages incentive programs that provide millions of dollars in funding each year to help residents, businesses, and public agencies replace older vehicles and equipment with cleaner technologies, expand low-carbon fueling infrastructure, and implement projects that reduce emissions and improve regional air quality.[5]

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[3] Sacramento Metropolitan Air Quality Management District, *About Us*

[4] Sacramento Metropolitan Air Quality Management District, *Board of Directors*

[5] Sacramento Metropolitan Air Quality Management District, *FY 2025–26 Approved Budget* and *Budget and Finance Information*

Sac Metro administers multiple state incentive programs. The following four programs within the scope of this program review:

- The Carl Moyer Memorial Air Quality Standards Attainment Program, commonly referred to as the Carl Moyer Program (or CMP), provides grants to reduce emissions and exposure to air pollution in communities disproportionately impacted by poor air quality by funding projects such as cleaner vehicles, equipment, and air filtration systems, as well as to support infrastructure projects that facilitate the deployment of cleaner technologies.
- The Community Air Protection Incentives Program (or CAP), created under Assembly Bill 617, which supports projects that reduce air pollution in disadvantaged and low-income communities with an emphasis on zero-emission technologies and community engagement.
- The Funding Agricultural Replacement Measures for Emission Reductions Program, (or FARMER), provides grants to reduce emissions from agricultural operations by funding the replacement of older, higher-polluting agricultural equipment and vehicles — such as tractors, harvesters, and other farm machinery — with cleaner, lower-emission technologies.
- Clean Cars 4 All, (or CC4A), provides financial incentives to help eligible residents retire older, higher-polluting vehicles and replace them with cleaner transportation options, including hybrid or zero-emission vehicles, public transit vouchers, or other alternative mobility solutions.

Appendix A includes a description of each of these programs. The scope of the review included grant agreements between CARB and Sac Metro entered into during FY2018-19 for CAP and FARMER, FY2019-20 for CMP, and FY2021-22 for CC4A. **Exhibit 2** summarizes the applicable fiscal years covered by this program review for each of the four programs. Appendices F-H include detailed descriptions of Sac Metro's Salvage Program (within the context of CMP), Inter-District Funding Redirection through FARMER, and Clean Cars 4 All processes and procedures.[6]

The review began with a virtual entrance conference held on January 26, 2026. Staff from Sac Metro, CARB, and Crowe attended this meeting. Additionally, Crowe staff presented the results of the program review at an exit meeting held with the grantee on April 9, 2026.

[6] Through discussions with CARB SMEs, Crowe was advised to obtain an understanding of the processes related to Sac Metro's Salvage Program (in the context of CMP) and FARMER's receipt of redirected funds from FRAQMD in particular, as these scenarios are nuanced in nature and atypical, but permitted by CARB and Program guidelines. Crowe personnel conducted walkthroughs with Sac Metro staff to observe the CC4A applicant and participant management system, Flux.

This review was conducted in accordance with CARB's Policies and Procedures (P&P) for review of incentive programs, which are viewable on the CARB website.[7] The purpose of the program review is to ensure that the District is implementing the four incentive programs consistent with the statutory, regulatory, and grant agreement authorities listed in **Exhibit 3.** The list is not exhaustive and the District could be subject to other requirements.

Exhibit 2
Sac Metro AQMD
Scope of Program Review by Fiscal Year

Program	FY 2018-19	FY 2019-20	FY 2021-22
1. CMP		Yes	
2. CAP	Yes		
3. FARMER	Yes		
4. CC4A			Yes

Exhibit 3
Program Authority

Program	Authorities
1. CMP	• Health and Safety Code, sections 44275 through 44299.2 • CMP: Grant Agreements ○ G19-MO-21

2. CAP Incentives	• Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017)
	• CAP Incentives: Grant Agreements
	  ○ G18-MCAP-03
	  ○ G18-MCAP-03-1
	  ○ G18-MCAP-03-2

3. FARMER	• AB 134 (Committee on Budget, Chapter 254, Statutes of 2017)
	• AB 109 (Ting, Chapter 249, Statutes of 2017)
	• FARMER: Grant Agreements
	  ○ G18-AGIP-04
	  ○ G18-AGIP-04-1

4. CC4A	• CC4A: Grant Agreements
	  ○ G-21-CC4A-04
	  ○ G-21-CC4A-04-01

[7] California Air Resources Board. *Incentives Program Oversight.* Accessed September 12, 2025.

2. Review Process Overview

Program Overview

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

The Carl Moyer Memorial Air Quality Standards Attainment Program (CMP) is a grant program that funds the incremental cost of cleaner-than-required engines, equipment, and other sources of air pollution. Sac Metro was required to adhere to the 2017 Moyer Program Guidelines (Guidelines) for the program review period. The Guidelines require that emission control technologies be certified or verified by CARB or by U.S. EPA when CARB does not have an applicable certification or verification program.

For the CMP, the scope of this program review covered $5.1 million in grant awards during FY 2019-20, representing 25 projects that collectively reduced 28.40 tons per year of nitrogen oxides (NO_x), reactive organic gases (ROG), and particulate matter (PM). Crowe reviewed Sac Metro's CMP application preparation and submittal process, documentation requirements, application review and approval process, program and project financials, marketing and outreach strategies, cost effectiveness calculations, reporting, and data security measures. Crowe conducted an initial meeting with Sac Metro staff to gain an understanding of Sac Metro's approach to operating the program, including processes, key documents, and staffing. Crowe submitted a data request that included the population of CMP projects for the program review period of FY 2019-20. Crowe selected a sample of CMP projects and conducted detailed testing on them to determine whether Sac Metro complied with requirements specified in the CMP Guidelines, implementation manuals, and grant agreement terms and conditions.

Crowe selected four (4) projects for file review. Project review categories within the scope of the program review included on-road heavy duty vehicles and off-road equipment – mobile agricultural.

Detailed program funding levels, the number of projects, and the sample of projects selected are provided in Appendix B. A detailed listing of the program review procedures is provided in Appendix C. A list of guidance documents utilized to conduct the program review is provided in Appendix D.

Salvage Program

In accordance with Chapter 3, Section K. Accounting Principles, 5, *Recapture and Salvage Revenue* of Moyer Program Guidelines, Sac Metro created and operates a program ("Salvage Program") by which end-of-life equipment, initially purchased by grantees participating in the Moyer Program, is scrapped and auctioned for proceeds that are then used to fund additional projects. While the Moyer Program Guidelines allow air districts to retain and reinvest salvage revenue, Sac Metro is the only air district that has established a formal administrative structure and external partnerships to operationalize this approach and generate additional program

income.

Sac Metro's Salvage Program enhances the effectiveness of incentive funding by establishing a structured lifecycle that extends program impact beyond the initial project award. Under this model, baseline equipment funded through incentive programs is permanently destroyed in accordance with program requirements, verified through documented inspection and oversight procedures. Following destruction, salvaged equipment is sold through a contracted auction process, and net proceeds are reconciled, reviewed, and recorded as program income.

Our procedures included walkthroughs of the salvage workflow, inspection of documentation supporting destruction and oversight activities, review of reconciliation processes and supervisory approvals, and evaluation of revenue recording and reporting practices. Based on the procedures performed, no exceptions were identified.

The distinguishing feature of the Salvage Program is its reinvestment mechanism. Auction proceeds are accumulated within the designated program fund and applied to additional eligible projects, thereby increasing the number of beneficiaries served without requiring additional appropriations. This approach promotes responsible recycling, advances green resource use, and expands emissions reduction benefits — particularly within disadvantaged communities prioritized under program guidelines. By pairing structured internal controls with a sustainable reinvestment model, the Salvage Program demonstrates financial stewardship, operational effectiveness, and an innovative framework that could serve as a model for other air districts seeking to maximize the impact of limited public funding. See Appendix F for a more detailed description of the Salvage Program.

Community Air Protection (CAP) Incentives Program

CARB established the Community Air Protection (CAP) Incentives Program in response to Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017). Funding for CAP Incentives primarily comes from the Greenhouse Gas Reduction Fund (GGRF), though some General Fund money has likewise been appropriated in the past. Air districts must follow the Community Air Protection Incentives Guidelines (CAP Incentives Guidelines) and the Funding Guidelines for California Climate Investments. Moyer Program projects implemented using CAP Incentive funds must also follow the relevant source category chapter in the CMP Guidelines. The CAP Incentives Program is a statewide program that primarily focuses on facilitating emissions reductions through clean air projects in disadvantaged and low-income communities as well as communities selected by CARB to participate in CAP incentives and those communities that are consistently nominated for participation. CAP incentives fund emissions-reducing mobile source vehicle and equipment projects, infrastructure projects, stationary source projects, and other community-identified projects, with a priority on zero-emission projects wherever feasible.

For the CAP Incentives Program, the scope of this review covered $14.0 million in grant awards for FY 2018-19, representing 16 projects that collectively reduced 5.47 tons per year of NO_x, ROG, and PM. Crowe reviewed Sac Metro's CAP Incentives Program application preparation

and submittal process, documentation requirements, application review and approval process, program and project financials, marketing and outreach strategies, cost effectiveness calculations, reporting, and data security measures. Crowe conducted an initial meeting with Sac Metro staff to gain an understanding of Sac Metro's approach to operating the CAP Incentives Program including processes, key documents, and staffing. Crowe submitted a data request that included the population of projects for the program review period of FY 2018-19. Crowe selected a sample of CAP projects and conducted detailed testing on them to determine whether Sac Metro complied with requirements specified in the CAP Incentives Guidelines, implementation manuals, and grant agreement terms and conditions.

Crowe selected four (4) projects for file review. Project categories within the scope of the program review included on-road heavy-duty vehicles, Prop 1B, infrastructure, and lawn and garden equipment.

Detailed program funding levels, the number of projects, and the sample of projects selected are provided in Appendix B. A detailed listing of the program review procedures is provided in Appendix C. A list of guidance documents Crowe utilized to conduct the program review is provided in Appendix D.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

The Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. Funding sources for the program have included the Greenhouse Gas Reduction Fund (GGRF), Air Quality Improvement Program Fund (AQIP), California Tire Recycling Management Fund, Alternative and Renewable Fuel and Vehicle Technology Fund, Air Pollution Control Fund, and the General Fund.

For FARMER, the scope of the program review covered $2.1 million in grant awards for FY 2018-19, representing 35 projects that collectively reduced 33.44 tons per year of NO_x, ROG, and PM. Crowe reviewed Sac Metro's FARMER application preparation/submittal process, documentation requirements, application review and approval process, program and project financials, marketing and outreach strategies, cost effectiveness calculations, reporting, and data security measures. Crowe conducted an initial meeting with Sac Metro staff to gain an understanding of Sac Metro's approach to operating the program, including processes, key documents, and staffing. Crowe submitted a data request that included the population of projects for the program review period of FY 2018-19. Crowe selected a sample of projects and conducted detailed testing on them to determine whether Sac Metro complied with requirements specified in the FARMER Guidelines, implementation manuals, and grant agreement terms and conditions.

Crowe selected three (3) projects for file review. Project categories within the scope of the program review included off-road agricultural equipment, on-road heavy-duty truck, and zero-

emissions agricultural utility vehicle.

Detailed program funding levels, the number of projects, and the sample of projects selected are provided in Appendix B. A detailed listing of the program review procedures is provided in Appendix C. A list of guidance documents utilized to conduct the program review is provided in Appendix D.

Inter-District Funding Redirection

During the G18-AGIP-04(-1) FARMER funding cycle, Feather River Air Quality Management District (FRAQMD) formally designated $1,180,572 of its allocation to Sac Metro to serve as the lead air district for implementation. This redirection was supported by documented board approval, signed application materials, and correspondence authorizing the transfer and intended geographic use of funds. Our procedures included inspection of designation documentation, board approvals, application records, and related correspondence, as well as assessment of revenue recognition, disbursement approvals, and program-level reporting. Based on the procedures performed, no exceptions were identified related to governance, authorization, financial tracking, or reporting associated with the re-directed funds.

Refer to Appendix G for a more detailed description of the inter-district funding redirection.

Clean Cars 4 All (CC4A)

Clean Cars 4 All (Grant G21-CC4A-04-01) was funded through California's Low Carbon Transportation Investments and Greenhouse Gas Reduction Fund and administered by CARB through the Enhanced Fleet Modernization Program (EFMP). As part of this grant, Sac Metro was charged with connecting program incentives with income-qualified individuals, typically low-income or disadvantaged community members, within the district. The purpose of the program was to allow qualified individuals to retire and replace older, higher-polluting vehicles with zero or near-zero emission vehicles (such as battery electric vehicles (BEVs), plug-in hybrid vehicles, or hybrid vehicles), installing vehicle charging infrastructure at their place of residence, and/or provide charging stipends for qualified vehicles.

Sac Metro's responsibilities under the grant include full program administration and compliance oversight. This includes reviewing and approving applications, ensuring participant eligibility (income, residency, and vehicle operability), issuing letters of award, reimbursing dealerships, verifying vehicle scrapping through a Bureau of Automotive Repair (BAR)-certified dismantler, and enforcing the 30-month ownership requirement. The District also managed compliance surveys at 12, 24, and 30 months, pursued recaptured funds when participants breached program terms, monitored fraud, and ensured proper grant labeling and adherence to consumer protection requirements at participating dealerships.

In addition to program oversight and fund distribution, Sac Metro also coordinated targeted community outreach as part of the grant agreement, working with the Center for Sustainable Energy for individual case management, partnering with dealers, scrapyards, and installation

services for various consumer services like vehicles sales, vehicle retirement, and charging installation.

For G21-CC4A-04 and G21-CC4A-04-01, the scope of this Program Review covered $2 million in grant awards for FY22, of which $1,700,000 was intended for project funding and the remaining $300,000 was intended for administrative costs. A subsequent $1 million in additional funds was disbursed during the G21-CC4A-04 grant (G21-CC4A-04-01), which was issued in 2023. The grant covered continued administrative costs, project funding, targeted community outreach, and ongoing partnership development. During its review, Crowe received and reviewed the original grant agreement to document grantee compliance requirements and issued an initial and follow-up document requests to the Grantee. In addition, Crowe interviewed CARB subject matter experts (SMEs) and Sac Metro teams to gain a better understanding of the program and to answer remaining questions. Where stand-alone calls could not be scheduled, Sac Metro teams provided written responses to Program Review staff questions.

During the review period, Sac Metro successfully funded 64 vehicle projects totaling $531,500, averaging $8,383 in incentive distributions. Of the 64 vehicle projects funded, 28 (or 52%) of projects funded the purchase of used zero- or low-emission vehicles. On average, funded projects resulted in increase in fuel economy by 62 miles per gallon (combined MPG/MPGe) per vehicle, representing a nearly 300% increase per vehicle. Based on EPA emission factors and the average vehicle mileage for retired vehicles, the program effectively eliminated more than 200 metric tons of carbon dioxide equivalent ($CO2_e$) per year during the review period[8]. The average retired vehicle age was 20 years, while the average age of replacement vehicles was 2 years during the review period. During the review period, Sac Metro successfully funded one (1) Clean Mobility card totaling $2,000. See Appendix E for additional information and data visualization.

[8] Emissions were estimated using the EPA's 2025 Emission Factors Hub. Program review staff used the date of manufacture, reported MPG, and total miles driven as basis for estimating necessary activity data (fuel consumption and miles driven) and corresponding emissions, or made reasonable estimates where data was insufficient. Program review staff did not independently verify accuracy of EPA-provided emission factors, fuel efficiency of retired vehicles, or fuel efficiency of replacement vehicles. Avoided emissions estimates do not account for emissions associated with electricity consumed during vehicle charging.

As part of this review process, Program Review staff conducted sampling of funded projects during the review period. A total of four (4) projects were sampled in Q4 of 2023, which represents approximately 6% of projects funded during the review period. Program Review staff found no exceptions associated with participant eligibility, retired vehicle, replacement vehicle, interest rates, or scrapping documentation requirements. While there were no exceptions found related to applicant eligibility, Program Review staff notes that during the review period, the Grantee was limited in verifying applicants had not previously received EFMP, EFMP Plus-Up, or CC4A incentive funding. During the review period, the Grantee could only verify that applicants did not receive such funding within the district. On this basis, while unlikely, the potential exists for sampled projects to have ineligible applicants. Program Review staff also observed inconsistencies in participation in post-purchase survey participation and subsequent registration documentation submission. One recipient (****-09965) did not submit a 12 or 24-month survey. Another recipient (****-09446) returned both a 12-month and 24-month survey; however, they did not return the appropriate registration documentation to prove ownership compliance requirements. Program Review staff notes that reviewing registration statuses provided via 12-, 24-, and 30-month surveys is currently the Grantee's only means of verifying a minimum 30-month ownership, as required by the Grant Agreement. See Appendix B, Exhibit 22 for additional detail on individual testing and results.

Crowe provides additional details on the program in Appendix A. Detailed program funding levels and program participation levels are provided in Appendix B. A detailed listing of the Program Review procedures is provided in Appendix C. Finally, a list of guidance documents utilized to conduct the program review is provided in Appendix D.

3. Results

This section provides the results of the program review and is organized as follows:

A. Findings
B. Commendable Efforts
C. Recommendations.

A. Findings

"Findings" are Grantee's practices found to be inconsistent with one or more requirements specified in statute, State guidelines, or Policies and Procedures. See Appendix D for the sources of these requirements. "Conditions" are detailed descriptions of the Grantee's practices that resulted in findings as revealed by the review. "Required Actions" are the minimum actions the Grantee must take to mitigate the findings.

CARB staff may offer "Recommendations" when Grantee practices are found to be consistent with program requirements; although mitigation is not required, a change in practices would improve program effectiveness, efficiency, or transparency.

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

Program Review staff identified no findings during the program review.

Community Air Protection (CAP) Incentives Program

Program Review staff identified no findings during the program review.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Program Review staff identified no findings during the program review.

Clean Cars 4 All (CC4A)

Program Review staff identified no findings during the program review.

B. Commendable Efforts

A commendable effort is an exceptional practice that goes beyond the basic requirements for implementing an incentive program. Resulting from this review, Crowe identified the following commendable efforts by the Grantee.

General Commendable Efforts

Program Review staff identified three (3) general commendable efforts extending across all incentive programs reviewed during the program review:

1. **Record Retention.** Program Review staff commend Sac Metro for its well-maintained records including grantee applications, inspection forms, cost effectiveness calculations, contracts, annual monitoring reports, audit inspection forms, and close-out materials. Sac Metro monitored documentation related to grantees by utilizing checklists to approve applications and payments throughout the contract period with applicants. Checklists also included approvals from Sac Metro authorized personnel before projects were selected and payments were made. In addition, clear photographs were captured for pre-inspection, post-inspection, and salvage inspection where required and applicable.
2. **Reporting Timeliness and Completeness of Reporting, Disbursement Requests, and Fund Liquidation.** Program Review staff commends Sac Metro for its documented report submission timeliness and completeness. Sac Metro submitted disbursement requests to CARB before the submission deadline and liquidated 100% of funds before the liquidation deadline. Sac Metro staff routinely furnished quarterly and annual reports to CARB for review as required by the various grant agreements.
3. **Outreach and Advocacy.** Program Review staff commends Sac Metro for its commitment to conducting outreach to beneficiary communities and advocating for the resource deployment to such communities by collaborating with CARB, peer air districts, and other state and local agencies with shared objectives of providing positive, measurable impacts to disadvantaged communities.

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

Crowe provides six (6) commendable efforts for the program as required by the program review guidelines. The commendable efforts include the following:

1. **Exhibit "Z."** The Exhibit "Z" is a contract modification form used by Sac Metro for documenting updates to contracts related to vehicle or engine information, usage, and/or contract end date. Program Review staff commends Sac Metro for implementing a structured process for updates to contracts using an Exhibit "Z." Sac Metro also required approvals from the Program Supervisor of the Mobile Source Division and the applicant. This process allows Sac Metro to account for changes in vehicle or engine information between the application and the contract as well as other necessary changes to contract terms.
2. **Annual Usage Monitoring.** Program Review staff commend Sac Metro for its commitment to monitoring the annual usage of grantee equipment. Crowe noted multiple instances where grantees were non-responsive to requests for completion of Annual Usage Surveys. To ensure annual usage monitoring, Sac Metro deployed personnel to perform on-site inspections of the equipment, including documenting mileage and photo evidence.

3. **Salvage Program.** Program Review staff commend Sac Metro for the launch and administration of its Salvage Program. Through auctioning salvaged equipment for proceeds, Sac Metro pursues a creative mechanism for funding projects that may not have otherwise been funded. The combination of structured controls, documented oversight, and an innovative reinvestment strategy positions the Salvage Program as a potential model framework for other air districts seeking to strengthen program effectiveness, enhance environmental outcomes, and leverage creative mechanisms to extend the reach of limited public funding.
4. **Pre-Inspection.** Program Review staff commend Sac Metro for taking detailed notes during the pre-inspection process. Sac Metro staff attached SMAQD metal tags with unique identification numbers on engines when the engine serial number was not visible according to the policies and procedures. Sac Metro documented when the metal tag was assigned to the engine in the comments of the pre-inspection form.
5. **Contractual Oversight of Auction House Inspections**. Program Staff commend Sac Metro for its strong program oversight through the terms established in its contract with the auction house supporting its salvage activities. Sac Metro included provisions requiring that inspections performed by the auction house on Sac Metro's behalf comply with applicable program guidelines. In addition, Sac Metro required the auction house to provide documentation demonstrating that inspections were conducted in accordance with program requirements, and Sac Metro staff reviewed this documentation to verify compliance. These contractual controls enhance program integrity and provide assurance that program requirements are consistently followed when third-party services are utilized.
6. **Funding Source Tracking within Accounting Framework.** Program Review staff commend Sac Metro for maintaining a general ledger structure to ensure proper accounting, transparency, and traceability of unique funding sources, such as salvage proceeds and earned interest. By segregating revenues into distinct funds and avoiding the co-mingling of resources, Sac Metro has strengthened internal controls, enhanced financial reporting accuracy, and reinforced accountability.

Community Air Protection (CAP) Incentives Program

Crowe provides two (2) commendable efforts for the programs as required by the program review guidelines. The commendable efforts include the following:

1. **Active Leadership in CAP Incentives Program Forums.** Program Review staff commend Sac Metro for its leadership and active engagement in the administration and evolution of the CAP Incentives Program through its participation in monthly CAPCOA meetings and regular CARB Mobile Sources Research meetings. CAPCOA meetings bring together air districts, CARB staff, and program partners to coordinate implementation of CAP incentives, share best practices, and discuss program guidance and policy considerations. Similarly, CARB's Mobile Sources Research meetings focus on emerging technologies, emissions research, and strategies for reducing pollution from mobile sources such as vehicles and equipment. Sac Metro has taken an impactful role in these forums by engaging as a thought partner with CARB, CAPCOA, and other air districts, offering insights on CAP Incentives Program topics and helping inform discussions that shape the program's future direction.

2. **Compliance with Additional California Climate Investments (CCI) Requirements.** Program Review staff commends Sac Metro for demonstrating strong program administration by adhering to the additional requirements associated with CCI funding for the CAP Incentives Program. While both the FARMER and CAP Incentives Programs include CCI requirements, the CAP Incentives Program generally carries more extensive reporting and community engagement obligations due to its alignment with AB 617 community air protection efforts. CCI requirements include expanded reporting and documentation obligations beyond standard incentive program administration, such as tracking project locations and benefits to disadvantaged and low-income communities, documenting greenhouse gas and criteria pollutant reductions, and reporting program outcomes to the CARB. By implementing procedures to collect, review, and report this information, Sac Metro helps ensure that CAP incentive funds are administered in accordance with state guidelines while maintaining transparency and accountability for program outcomes. This commitment reflects Sac Metro's diligence in managing complex funding requirements and supporting the state's broader climate and environmental equity goals.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Crowe provides two (2) commendable efforts for the programs as required by the program review guidelines. The commendable efforts include the following:

1. **Management of Redirected Funds.** Program Review staff commends Sac Metro for demonstrating strong stewardship and effective inter-district collaboration in administering funds redirected from FRAQMD. By leveraging Sac Metro's administrative capacity while preserving the geographic intent of FRAQMD's allocation, the districts accelerated deployment of incentive funding, expanded the number of eligible projects in Yuba and Sutter counties, and maintained accountability and compliance. Sac Metro also proactively collaborated with FRAQMD to confirm the prospective grantee was in good standing with FRAQMD and accepted additional CARB reporting responsibilities to ensure transparency. This collaborative approach strengthened fiscal stewardship, increased program reach, particularly within disadvantaged communities, and highlights a scalable framework for regional cooperation in incentive program administration.
2. **Compliance with Additional CCI Requirements.** Program Review staff commend Sac Metro for demonstrating strong program administration by adhering to the additional requirements associated with CCI funding for the FARMER Program. These requirements include expanded reporting and documentation obligations beyond standard incentive program administration, such as tracking project locations and benefits to disadvantaged and low-income communities, documenting greenhouse gas and criteria pollutant reductions, and reporting program outcomes to CARB. By implementing procedures to collect, review, and report this information, Sac Metro helps ensure that FARMER funds are administered in accordance with state guidelines while maintaining transparency and accountability for program outcomes. This commitment reflects Sac Metro's diligence in managing complex funding requirements and supporting the state's broader climate and environmental equity goals.

Clean Cars 4 All (CC4A)

Crowe provides five (5) commendable efforts for the programs as required by the Program Review guidelines. The commendable efforts include the following:

1. **Effective Budget Management.** Program Review staff commend Sac Metro for operating within budget for both administrative and project funding requests in its first year of administrating the CC4A incentives program. While expectations from CARB were for Sac Metro to incur additional, initial administrative expenses while establishing administrative infrastructure, Sac Metro managed to develop appropriate administrative capabilities while remaining under its requested grant disbursement for administrative costs.

2. **Collaboration with Other Air Districts.** Program Review staff commends collaboration with other air districts that had previously implemented a CC4A program. Sac Metro adopted the CC4A incentives program in 2019, after other air districts like the Bay Area AQMD, South Coast AQMD, and San Diego AQMD had adopted and implemented the incentives program. Sac Metro actively interacted with these air districts to develop financial incentives and to better understand administrative barriers and gain perspective on lessons learned. This information was used to more effectively develop administrative infrastructure and data-based incentives which allowed Sac Metro to focus on community engagement and partnership development.

3. **Community Engagement and Incentives Education.** Program Review staff commends Sac Metro for its focused efforts on engaging with the community to spread awareness of the incentive programs. As a result, the first year resulted in 54 vehicle projects funded to participants identified at or below 225% of the Federal Poverty Line (FPL), an additional seven (7) vehicle projects funded to participants identified at 300% FPL, and three (3) vehicle projects funded to participants identified at 400% FPL. Engagement with at-risk and economically impacted communities was a core requirement of the grant and incentive program.

4. **Emphasis on Affordability and Sustainable Purchasing.** In the first quarter of implementation, a total of 28 (or 52%) of vehicle projects funded by Sac Metro were purchased from the used marketplace, averaging a total reported sale price (including taxes, fees, and other charges) of $29,518. Funding used vehicle projects emphasizes circular economies, removes the replaced vehicle from the roads, and in turn, removes a new vehicle from the value chain, reducing both up and downstream emissions from production lines.

5. **Agility in Ensuring Applicant Compliance.** Program Review staff commend Sac Metro in identifying gaps in their applicant eligibility screening process. One core element of applicant eligibility is centered around an applicant having never received EFPM, EFPM-Plus-Up, or CC4A incentives in the past. During the review period, Sac Metro staff could only screen whether an applicant had received such benefits within the SMAQMD itself, operating as such for at least two fiscal quarters. Sac Metro staff identified the issue and worked quickly to remediate this gap by working with other air districts to share data, ensuring compliance for participants during the application process.

C. Recommendations

Crowe provides recommendations for the programs as required by the program review guidelines. The recommendations are intended to enhance current program effectiveness and to inform future program development. Recommendations may include new programming processes or opportunities to enhance current processes already performed by Sac Metro and/or to meet the requirements of program guidelines. Recommendations are based on each program as of the periods of performance specified in their respective grant agreements. Sac Metro may have already implemented some of the recommendations in part or full. The recommendations include the following:

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

1. **Application Funding Amount.** Crowe observed in a few instances that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro may consider requiring the total project cost and/or requested amount to be provided with application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.
2. **Project Selection.** If, in the future, Sac Metro elects to work with rural or smaller air districts within the Sacramento Federal Non-Attainment Area (SFNA), Sac Metro may consider clarifying and/or refining its selection process (e.g., from first-come, first-served to cost-benefit based) to enhance transparency for participating entities. Air District Regions included in the SFNA are the Sacramento Metropolitan Air Quality Management District, the majority of El Dorado County Air Quality Management District and the Placer County Air Pollution Control District, the most southern portion of Sutter County under the Feather River Air Quality Management District and the Yolo-Solano Air Quality Management District. The APCOs for these air district regions, except for Feather River AQMD have agreed to combine their Carl Moyer funds into the Sac Metro's Carl Moyer funds. This was noted in the Sac Metro 2015 Policies and Procedures Manual for Moyer, section 2.1.1 *Combined Grants*.

3. **Develop and Share Salvage Program Best Practices.** Sac Metro should consider developing a formal salvage program toolkit or guidance document and hosting workshops to share its approach with other air districts interested in implementing similar programs. By documenting key elements such as drafting contracts to ensure auction houses adhere to program requirements, establishing competitive solicitation processes, establishing sub-funds in accounting systems to trace proceeds, and administering the program effectively, Sac Metro could serve as a model for other agencies. Sharing these practices would enable other districts to implement salvage programs as a creative means of generating supplemental revenue to support air quality initiatives, while also providing an opportunity to demonstrate their continued commitment to improving environmental outcomes in disadvantaged communities. In addition, implementing and documenting such programs can help districts illustrate responsible stewardship of public resources and highlight innovative approaches to maximizing the impact of limited public funds.
4. **Highlight Metrics Related to the Return on Salvage Proceeds**. Sac Metro has an opportunity to highlight and quantify the financial impact of its salvage proceeds. By tracking and communicating return on reinvestment metrics, such as the number of disadvantaged communities impacted, proceeds dollars generated, tons of equipment diverted from landfill, and emissions reduced by equipment that otherwise would not have provided any additional benefits to targeted communities, Sac Metro can demonstrate how recovered value from retired assets directly supports program objectives. This transparency can strengthen stakeholder confidence and showcase Sac Metro's commitment to maximizing the value of public resources. This could be presented as an Annual Scrap Program Impact Summary, included in the MD&A section of financial statements, and/or published to internal stakeholders.

Community Air Protection (CAP) Incentives Program

1. **Application Funding Amount.** Crowe observed, in a few instances, that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro should consider requiring the total project cost and/or requested amount to be provided with application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

1. **Application Funding Amount.** Crowe observed, in a few instances, that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro should consider requiring the total project cost and/or requested amount to be provided with application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.

2. **Inter-District Impact Reporting for Redirected Funds.** Sac Metro may consider developing a formal reporting process to communicate to smaller air districts the outcomes of projects funded through redirected funds received from those smaller air districts, such as FRAQMD. Providing periodic impact reports summarizing metrics such as total funds received, number of projects funded, geographic distribution of projects, emission reductions achieved, and salvage proceeds generated would allow partner districts and their constituents to better understand potential benefits of the redirected funding to their communities. While this type of reporting is not required under current FARMER Program Guidelines or existing inter-district agreements, implementing a standardized inter-district impact report could further enhance transparency and support regional collaboration. This consideration is outside the scope of current FARMER Program Guidelines and existing inter-district agreements and is provided for informational purposes only.

Clean Cars 4 All (CC4A)

1. **Update Ownership Compliance Monitoring Systems.** Program participants are required to own and operate incentivized vehicles, whether purchased or leased, within the State of California for a minimum of 30 months, as stated in the Grant Agreement and program terms and conditions. To demonstrate compliance, participants are sent post-incentives surveys at 12-month, 24-month, and 30-month intervals, which prompts participants to provide basic information as well as proof of current registration in California. Sac Metro personnel stated that while completing surveys is mandatory, they cannot compel participants to complete surveys. While sampling, Program Review staff noted two (or 50%) of sampled projects lacked survey results or had incomplete/inaccurate survey content (e.g., registration renewal notice rather than updated registration). This is a known challenge for all grantee's implementing the CC4A program. Sac Metro should consider enhancing this monitoring system to ensure participant compliance. This could include working with the Department of Motor Vehicles (DMV) to automatically receive notifications if vehicles that have received incentives have been sold or transferred outside the state.

2. **Increase Scrapping Program Participants.** Sac Metro is required to work with BAR-certified scrapping facilities within the district to facilitate the retirement of vehicles. During the reporting period, only one company, Pick-N-Pull, was BAR-certified within the district. Sac Metro should work with additional scrapping facilities to assist in BAR-certified retirement. Over time, adding new scrapping vendors can increase customer options, relieve future resource constraints, and create a more competitive cost environment. This suggestion is not intended to be a requirement, but rather a recommendation aimed at increasing options and flexibility for applicants.

4. Summary and Conclusion

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

Sac Metro achieved the emissions reduction objectives of the CMP program and effectively promoted the adoption of cleaner-than-required vehicles in the Sac Metro area. Outreach efforts proved to be robust and effective, and Sac Metro continued to satisfy their liquidation requirements by funding eligible projects while also meeting match fund requirements.

Community Air Protection (CAP) Incentives Program

Sac Metro achieved the emissions reduction objectives of the CAP Incentives program and effectively promoted the adoption of cleaner-than-required vehicles in the Sac Metro. Outreach efforts proved to be robust and effective, and Sac Metro continued to satisfy their liquidation requirements by funding eligible projects while also meeting match fund requirements.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Sac Metro achieved the emissions reduction objectives of the FARMER program and effectively promoted the adoption of cleaner-than-required vehicles in the Sac Metro. Outreach efforts proved to be robust and effective, and Sac Metro continued to satisfy their liquidation requirements by funding eligible projects while also meeting match fund requirements.

Clean Cars 4 All (CC4A)

Sac Metro achieved the emissions reduction objectives of the CC4A program and effectively promoted the adoption of clean vehicles in Sacramento County. Sac Metro developed internal infrastructure for the adoption and administration of its Clean Cars 4 All incentives program. Sac Metro engaged with its constituents, emphasizing engagement with at-risk and low-income communities for targeted program education and outreach, developed a network of dealerships, and established relationships with authorized vehicle scraping companies for vehicle retirement. Through the first fiscal quarter of the program administration, Sac Metro successfully funded more than 60 projects, removing 64 older, high-emitting vehicles from California roads, assisting with charging infrastructure installation, and providing charging funding for program participants.

Appendix A: Program Descriptions

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

The Carl Moyer Program provides grant funding for cleaner-than-required engines, equipment, and other sources of air pollution. The program funds a variety of clean air projects involving diverse vehicles and equipment. The main project types include:

1. **Replacement:** Replacing older vehicles or equipment that still have remaining useful life with newer, cleaner versions. This project type includes on-road trucks and buses, which can be replaced through fleet modernization contracts or voucher incentive programs (VIP), as well as off-road equipment.
2. **Repower:** Installing a newer, cleaner engine in an existing vehicle or equipment to replace a higher-polluting engine.
3. **Infrastructure:** Funding the installation of fueling or energy infrastructure necessary for fueling or powering advanced clean vehicles and equipment. While infrastructure projects do not directly reduce emissions, they support the deployment of cleaner technologies.

Funding sources include tire replacement and vehicle registration (i.e., smog abatement) fees. Funded projects must achieve early or extra emission reductions not otherwise required by law or regulation.

CARB develops statewide implementation guidelines, distributes funds to air districts, and conducts periodic oversight. Air districts choose which project types to fund from a variety of eligible categories, including:

- Emergency vehicles
- Lawn and garden equipment
- Light duty vehicles
- Locomotives
- Marine vessels
- On-road vehicles and equipment (e.g., trucks, buses, school buses, transit vehicles, electrical charging stations)
- Off-road vehicles and equipment
- Shore power
- Stationary agriculture pumps.

As required by the Carl Moyer Program, and similar to other large and medium-sized air districts in California, Sac Metro contributes matching funds.

Community Air Protection (CAP) Incentives Program

The Community Air Protection (CAP) Program was established under Assembly Bill 617 to reduce air pollution in California's most impacted communities, with a particular emphasis on disadvantaged and low-income populations. In Sacramento County, Sac Metro administers CAP funds in alignment with statewide guidelines and as an extension of its Carl Moyer Program responsibilities. The District maintains a CAP Policies and Procedures Manual, structured as an addendum to its Moyer manual, which details procedures for solicitation, project selection, contracting, monitoring, and reporting. This framework targets projects that are surplus to regulations, deliver measurable air quality benefits, and meet California Climate Investments (CCI) accountability standards.

The District solicits and evaluates applications through transparent processes that emphasize meaningful community engagement. Projects are screened for eligibility, historical usage, and compliance, then entered into CARB's statewide Clean Air Reporting Log (CARL) for tracking and verification. Priority is placed on projects serving disadvantaged or low-income communities and those providing direct health benefits to sensitive receptors such as schools and residential areas.

Eligible projects under CAP include:

- School bus replacements
- Zero-emission vehicle infrastructure
- Mobile source replacements (trucks, buses, and off-road equipment)
- Stationary source retrofits at smaller facilities
- Community-identified projects consistent with Community Emission Reduction Programs.

While CAP funding shares many eligible project categories with the CMP, it is designed to go further by prioritizing zero-emission technologies and infrastructure whenever feasible. CAP also carries investment targets established through CARB Board-approved guidelines and California Climate Investments (CCI) requirements, which generally direct that the majority of funds benefit priority populations, including disadvantaged and low-income communities, based on annual state budget allocations of GGRF funding. In addition, CAP places heightened emphases on transparency and public participation, requiring air districts to conduct outreach, engage community steering committees, and to align funding priorities with community input before projects are selected. These features make CAP both more equity-driven and more community-centered than other incentive programs.

Oversight and accountability measures are central to Sac Metro's administration of the CAP Program. All projects are subject to enforceable contracts, pre- and post-inspections, and annual reporting requirements, with mechanisms in place to recapture funds if performance obligations are not met. Financial management practices require separate accounting for CAP funds, tracking of interest earned, and semi-annual reporting to CARB. These practices ensure the District maintains both fiscal integrity and alignment with statewide CAP principles, while

also tailoring implementation to local needs and community-driven priorities.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

The FARMER Program provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. Since September 2017, the program received appropriations from the California Legislature in each subsequent fiscal year except FY 2020-21. Funding sources for the program have included the GGRF, the Air Quality Improvement Fund, the California Tire Recycling Management Fund, and the Alternative and Renewable Fuel and Vehicle Technology Fund.

CARB staff worked with local air districts and stakeholders through a public process to develop the FARMER Program Guidelines, which set the minimum requirements for the program including funded projects must meet minimum emission reduction cost-effectiveness thresholds (if applicable and recommend that at least 50% of funds go toward projects benefiting disadvantaged and low-income communities.

Clean Cars 4 All (CC4A) Program

CARB partners with implementing air districts to execute the CC4A, formerly EFMP Plus-Up project, programs in their air basin. The voluntary car scrap programs focus on promoting advanced technology for low-income California residents, with each program operating under its own specific statutes and regulations. Incentive amounts to participants are determined by the participant's household income level, whether the applicant lives in or near a disadvantaged community, and the choice of replacement option, with up to $9,500 available toward the purchase of an advanced technology replacement vehicle (e.g., hybrid, plug-in hybrid, or zero emission) or an alternative mobility option (e.g., transit passes, carsharing, or other options). In addition to these incentives, eligible participants may also receive a $2,000 incentive towards a charge card or a home charger. AB 630 required CARB to adopt guidelines by January 1, 2019, establishing measurable goals for replacement of light-duty vehicles, and then post information on the performance of the CC4A Program annually.

Appendix B: Program Funding Levels, Number of Projects, and Sample of Projects Selected

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

Exhibit 4
CMP Program Grant Agreements

Fiscal Year	Grant Agreement Number	Project Funds	Administration Funds	Total Grant Amount (Not to Exceed)	District Match	Performance Period
19-20	G19-MO-21	$4,724,894	$356,078	$5,080,972	$762,146[9]	3/1/20–12/31/24

Exhibit 5
CMP Program Funding Levels

Fiscal Year	Moyer Year	Funding Source	Liquidated Project Amount
19-20	MY22	Moyer	$4,724,894
19-20	MY22	Multi-District/State Reserve	$704,047
19-20	MY22	Moyer Interest	$58,730
19-20	MY22	Match - $2 DMV	$647,825
19-20	MY22	Salvage	$79,664
Total	n/a	n/a	**$6,215,160**

Exhibit 6
Number of Projects and Liquidated Amounts

Program Name	Number of Projects	Liquidated Amount
Carl Moyer Program (CMP)	25	$6,215,160[10]

[9] Based on review of Sac Metro internal accounting records, Sac Metro did not receive any district match funds.

[10] All projects are in “Liquidated” status. No projects are in “Executed” status.

Exhibit 7
Emissions Reduced, as Reported by Sac Metro

Program Name	Number of Projects	NO_x Reductions (Tons per Year)	ROG Reductions (Tons per Year)	PM Reductions (Tons per Year)	NO_x + ROG + PM (Tons per Year)
Carl Moyer Program (CMP)	25	24.20	2.82	1.38	28.40

Exhibit 8
Sample Projects Selected for Review

Source Category	Number of Projects Selected for File Review	EJ Project	Grant Amount
On-Road Heavy-Duty Vehicles	1	Yes	$210,000
Off-Road Equipment - Mobile Agricultural	1	No	$465,974
Off-Road Equipment - Mobile Agricultural	1	No	$441,817
Off-Road Equipment - Mobile Agricultural	1	Yes	$203,791
Total	**4**		**$1,321,582**

Community Air Protection (CAP) Incentives Program

Exhibit 9
CAP Incentives Program Grant Agreements

Fiscal Year	Grant Agreement Number	Project Funds	Administration Funds	Total Grant Award	District Match	Performance Period
18-19	G18-MCAP-03	$13,078,094	$944,371	$14,022,464	n/a	5/23/19–12/31/22
18-19	G18-MCAP-03-1	No change	No change	No change	n/a	5/23/19–12/31/24
18-19	G18-MCAP-03-2	No change	No change	No change	n/a	5/23/19–6/30-26
Total	n/a	**$13,078,094**	**$944,371**	**$14,022,464**	**$0**	n/a

Exhibit 10
CAP Incentives Program Funding Levels

Fiscal Year	CAP Year	Funding Source	Liquidated Project Amount
18-19	2	AB617-CAP	$12,664,321

Exhibit 11
Number of Projects and Liquidated Amounts

Program Name	Number of Projects	Executed Amount	Liquidated Amount	Grand Total
Community Air Protection (CAP) Incentives	16	$350,343	$12,664,321	**$13,014,664**

Exhibit 12
Emissions Reduced, as Reported by Sac Metro

Program Name	Number of Projects	NO_x Reductions (Tons per Year)	ROG Reductions (Tons per Year)	PM Reductions (Tons per Year)	NO_x + ROG + PM (Tons per Year)
Community Air Protection (CAP) Incentives	16	4.98	0.49	0.00	5.47

Exhibit 13
Sample CAP Projects Selected for Review

Source Category	Number of Projects Selected for File Review	EJ Project	Grant Amount
On-Road Heavy-Duty Vehicles	1	Yes	$164,999
Prop 1B	1	Yes	$200,000
Infrastructure	1	Yes	$1,391,774
Lawn and Garden Equipment	1	Yes	$15,000
Total	**4**		**$1,771,773**

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Exhibit 14
FARMER Program Grant Agreements

Fiscal Year	Grant Agreement Number	Grant Amount (Not to Exceed)	Performance Period
18-19	G18-AGIP-04	$2,135,962	9/2/19 – 6/30/24
18-19	G18-AGIP-04-1	No change	9/2/19 – 6/30/32
Total	n/a	**$2,135,962**	n/a

Exhibit 15
FARMER Program Funding Levels

Fiscal Year (Funding Source)	Project Funding	Project Implementation Funding	Total Grant Amount	Interest Earned	Liquidated
18-19 (GGRF)	$1,928,679	$207,283	$2,135,962	$36,339	$1,961,493

Exhibit 16
Number of Projects with Liquidated Amounts

Program Name	Number of Projects	Liquidated Amount
FARMER	35	$1,961,697[11]

Exhibit 17
Emissions Reduced, as Reported by Sac Metro

Program Name	Number of Projects	NO_x Reductions (Tons per Year)	ROG Reductions (Tons per Year)	PM Reductions (Tons per Year)	NO_x + ROG + PM (Tons per Year)
FARMER	35	29.19	1.40	2.85	33.44

[11] Liquidated amount of $1,961,697.48 = $1,961,493.12 (project funding) + $204.36 (project implementation funding).

Exhibit 18
Sample FARMER Projects Selected for Review

Source Category	Number of Projects Selected for File Review	Disadvantaged Community	Grant Amount
On-Road Heavy-Duty Truck	1	No	$112,295
Zero-Emissions Vehicle – Ag-Utility Terrain Vehicle	1	No	$10,562
Off-Road Equipment - Agricultural	1	No	$30,701
Total	**3**		**$153,558**

Clean Cars 4 All (CC4A)

Exhibit 19
CC4A Program Funding Levels[12]

Grant Agreement Number	Project Funds	Processing/ Admin Fees	Total Grant Award	Start Date	End Date
G-21-CC4A-04	n/a	n/a	$2,000000	March 30, 2022	June 30, 2025
G-21-CC4A-04-01[13]	n/a	n/a	$1,000,000	January 24, 2023	June 30, 2025
Total	n/a	n/a	**$3,000,000**		

Exhibit 20
Number of Projects and Funding Amounts in Review Period

Project Type	Number of Projects	Executed Amount	Grand Total
Clean Cars 4 All Vehicle Replacement	64	$535,532	**$536,532**
Charging Cards	1	$2,000	**$2,000**
Total			**$538,352**

[12] Grant finding levels for the entire funding period. As part of this review, program review staff examined funding for FY22

[13] Amendment to the original grant agreement

CC4A Project Funding Sampling Overview

Program Review staff sampled four (4) vehicle projects funded during the review period. A review of Participant Numbers and documents reviewed is provided below:

Exhibit 21
Project Sampling and Results

Participant Number	Applicant Eligibility[14]	Incentives Received	Eligible Retirement Vehicle (Y/N)[15]	Replacement Vehicle Eligible[16]	Interest Rate Below Threshold (Y/N)[17]	Scrapping Records Available (Y/N)[18]	Surveys Returned (Y/N)[19]
**** - 09965	Y	$7,000	Y	Y	Y	Y	N
**** - 09446	Y	$9,500	Y	Y	Y	Y	Y[20]
**** - 07652	Y	$9,500	Y	Y	Y	Y	Y
**** - 09622	Y	$7,000	Y	Y	Y	Y	Y

[14] Program review staff tested applicant eligibility data against eligibility criteria. Driver's License (or other proof of residency), EnviroScreen results, verification of no previous incentive receipt, and income verification were provided for review. In addition, applicants must have household incomes within 400% of FPL, must reside in a zip code containing a census tract identified by California Climate Investments as a "Disadvantaged Community", and must not have previously received EFMP, EFMP Plus-Up, or CC4A incentive funding.

[15] Program review staff tested retired vehicles against eligibility criteria outlined in Section A of the Grant Agreement. Applicants must submit year, make, model, license plate number, vehicle identification number (VIN), mileage, registration status, and EPA combined fuel economy rating.

[16] Program review staff tested replacement vehicles against eligibility criteria outlined in Section A of the Grant Agreement. Replacement vehicles must be eight (8) years old or newer, must be: 1.) hybrid electric vehicles with an EPA combined fuel economy rating of 35 MPG or greater, 2.) a plug-in hybrid vehicle or 3.) zero emission vehicle. In addition, vehicles must be sold from an authorized dealer within the Grantee's Dealership Network, be registered in California, have modified emissions control systems, have been previously funded with EFMP, EFMP Plus-Up, or CC4A funds, or have outstanding vehicle recalls.

[17] Program review staff verified interest rates in purchasing contracts did not exceed the required cap of 16% annual percentage rate (APR).

[18] Program review staff verified proof of retirement vehicle destruction.

[19] Program review staff reviewed participant survey results in standing intervals (12, 24, and 30 months), as required by the Grant Agreement.

[20] While surveys were received at appropriate intervals, one survey contained missing/incomplete information and did not fully demonstrate participant compliance. See *CC4A Project Funding Sampling Results* for additional detail.

Appendix C: Program Review Procedures

Crowe conducted the following tasks and subtasks to complete the program review of Sac Metro Alternative's program implementation. Program review tasks and subtasks included the following:

1. Obtain and evaluate applicable policies, and grant agreements, state administrative requirements and general accounting procedures including:
    a. Sac Metro and CARB grant agreement terms and conditions
    b. Sac Metro's quarterly disbursement reports
    c. Sac Metro subcontracts with Program Administrators, Outreach Partners, and other vendors, including Sac Metro's contracted auction house.
    d. Website information identifying resources, workshops, and funding sources
    e. Communications and approvals related to redirected funding (from FRAQMD)
2. Summarize results of the document evaluation as a basis for developing and refining the Program Review Plan.
3. Meet with CARB personnel to gain a high-level understanding of guiding laws, regulations, rules, policies, grant agreements and guidelines.
4. Prepare and submit an initial data request, including:
    a. Policies and procedures related to each grant agreement
    b. Organizational charts
    c. Outreach materials
5. Conduct process walk-throughs with grantee SMEs to understand the following:
    a. Program goals and objectives specific to each grant
    b. Program expectations
    c. Program performance
    d. Acceptance of funds from CARB
    e. Community-based outreach efforts
    f. Quarterly and Annual reporting to CARB
    g. Administrative expenses

7. Developed a sample of applicants to conduct analyses of and request applicant file documentation (either in the sample walk through or in electronic format, where possible)
    a. Applications
    b. Pre-Contract Checklists
    c. Contracts
    d. Inspection forms
    e. Proof of warranty and insurance
    f. Invoices and Check Payments
    g. Annual Usage Surveys
    h. Audit Inspection Forms
    i. Post Contract Checklists
8. Develop findings and recommendations. Findings and recommendations may include, but not be limited to the following, as applicable:
    a. Opportunities to increase efficiency and effectiveness, including a listing of the program's strengths and opportunities for improvement
    b. Determination of whether grantees and their funding recipients follow appropriate agreements, guidelines, and fiscal and accounting standards
    c. Determination of whether grantee incentive programs are demonstrating:
        i. Consistency in program implementation; including any variations from program standards
        ii. Achievement of program goals including key performance indicators
        iii. Transparency and public accountability
    d. Recommendations for process improvement
    e. Assessment of grantees' key internal controls, including instances of inefficient or ineffective operational policies, procedures, or practices

Appendix D: Reference Documents

Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)

1. Grant Agreements
   a. G19-MO-21
2. Carl Moyer Program Guidelines
   a. 2017 Carl Moyer Program Full Guidelines
3. Internal Sacramento Metropolitan Air Quality Management District policies and procedures
   a. Moyer Policies and Procedures as of October 23, 2015
4. Organizational chart for Sacramento Metropolitan Air Quality Management District Carl Moyer Program staff
   a. Sacramento Metropolitan Air Quality Management District Organization Chart as of December 2025
   b. Sacramento Metropolitan Air Quality Management District Organization Chart as of August 5, 2019
5. Business process workflows or description of workflows
   a. Sample Contracting Process Diagram
   b. Sample Grant Status Process Diagram
   c. Sample Reimbursement Process Diagram
6. System(s) used to track applications if other than CARL
   a. Project Checklist Pre-Contract
   b. Post-Contract Project Checklist
7. Disbursement Requests from Sacramento Metropolitan Air Quality Management District to the California Air Resource Board
   a. Carl Moyer Program Grant Disbursement Request Form for Moyer Year 22 submitted on June 22, 2020
8. Solicitations and outcomes for each year
   a. Sacramento Region Public Access Low Carbon Infrastructure Funding Solicitation released on February 3, 2020

b. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 10, 2026
c. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 17, 2026

9. Documentation of outreach efforts
   a. Heavy Duty Truck and Electric School Bus Dealer Workshop Flyer
   b. Sac Metro Air District Mobile Source Incentives Slideshow during the Pepsi/SMUD Meeting on October 4, 2019
   c. Sac Metro Air District Mobile Source Incentives Slideshow presented by Kristian Damkier, P.E. in October 2019
   d. Carl Moyer VIP Overview Slideshow presented by Kristian Damkier, P.E. on April 28, 2020
   e. Heavy Duty Truck Funding in Sacramento Slideshow during the Heavy Duty Dealer Funding Workshop on August 9, 2019
   f. School Bus Incentives Slideshow presented by Ryan A. Nowshiravan, Air Quality Specialist, on August 8, 2019

10. Yearly Reports submitted by Sacramento Metropolitan Air Quality Management District to the California Air Resources Board
    a. 2024 District Yearly Report
    b. Supplemental Written Responses to the 2024 District Yearly Report
    c. CARL Query Liquidation Year 22 Report as of August 27, 2024

11. Accounting records and reports specific to Carl Moyer Program
    a. 22nd Year Moyer Interest Calculation as of June 30, 2024

12. Agreement with Bar None
    a. Lower Emission Vehicle Incentive Program Selling Service Entity Master Agreement
    b. First Amendment to Lower Emission Vehicle Incentive Program Selling Service Entity Master Agreement
    c. Second Amendment to Lower Emission Vehicle Incentive Program Selling Service Entity Master Agreement

13. Scrap Program/Enhanced Salvage Program Policies and Procedures
    a. Salvage Process Diagram
    b. Salvage Process Summary Sheet
    c. Mobile Source Field Operations Policy and Procedure Update

14. Audit Reports
    a. Sacramento Metropolitan Air Quality Management District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Community Air Protection (CAP) Incentives Program

1. Grant Agreements
    a. G18-MCAP-03
    b. G18-MCAP-03-01
    c. G18-MCAP-03-02

2. Community Air Protection Incentives Guidelines
    a. Community Air Protection Incentives 2019 Guidelines (Revised October 14, 2020)

3. Internal Sacramento Metropolitan Air Quality Management District policies and procedures
    a. Community Air Protection Incentives Projects Policies and Procedures as of May 12, 2022
    b. Community Air Protection Incentives Projects Policies and Procedures as of March 16, 2022

4. Organizational chart for Sacramento Metropolitan Air Quality Management District Carl Moyer Program staff
    a. Sacramento Metropolitan Air Quality Management District Organization Chart as of December 2025
    b. Sacramento Metropolitan Air Quality Management District Organization Chart as of August 5, 2019

5. Business process workflows or description of workflows
    a. Sample Contracting Process Diagram
    b. Sample Grant Status Process Diagram
    c. Sample Reimbursement Process Diagram

6. Disbursement Requests from Sacramento Metropolitan Air Quality Management District to the California Air Resource Board
    a. Carl Moyer Program Grant Disbursement Request Form for Community Air Protection (CAP) Incentives Year 2 submitted on February 3, 2020

7. Solicitations and outcomes for each year

a. Sacramento Region Public Access Low Carbon Infrastructure Funding Solicitation released on February 3, 2020
b. CAP Project Summary submitted to the California Air Resources Board on February 18, 2020
c. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 10, 2026
d. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 17, 2026

8. Documentation of outreach efforts
   a. 2019 Outreach Summary
   b. Heavy Duty Truck and Electric School Bus Dealer Workshop Flyer
   c. Sac Metro Air District Mobile Source Incentives Slideshow during the Pepsi/SMUD Meeting on October 4, 2019
   d. Sac Metro Air District Mobile Source Incentives Slideshow presented by Kristian Damkier, P.E. in October 2019
   e. Hydrogen Fueling Infrastructure Workshop Slideshow presented by Kristian Damkier, Air Quality Engineer, on August 28, 2019
   f. Hydrogen Fueling Infrastructure Workshop Agenda on August 28, 2019
   g. Heavy Duty Truck Funding in Sacramento Slideshow during the Heavy Duty Dealer Funding Workshop on August 9, 2019
   h. School Bus Incentives Slideshow presented by Ryan A. Nowshiravan, Air Quality Specialist, on August 8, 2019
   i. Sacramento Community Clean Freight Truck Solicitation Presentation during the NorCal Clean Fleet Technology Conference on October 16, 2019
   j. Zero Emission Refuse Track Funding Slideshow during the Sacramento BEV Refuse Truck Program on January 30, 2020

9. Yearly Reports submitted by Sacramento Metropolitan Air Quality Management District to the California Air Resources Board
   a. 2024 District Yearly Report Certification
   b. Community Air Protection (CAP) Incentives 2023 Progress Report
   c. Community Air Protection (CAP) Incentives 2024 Liquidation Report
   d. Jobs-Outreaching Reporting Template from May 2024 to October 2024

10. Accounting records and reports specific to the Community Air Protection Incentives Program
    a. Community Air Protection (CAP) Incentives Year 2 Interest Calculation as of June 30,

2025

11. Audit Reports
    a. Sacramento Metropolitan Air Quality Management District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

1. Grant Agreements
    a. G18-AGIP-04
    b. G18-AGIP-04-01
2. Funding Agricultural Replacement Measures for Emission Reductions Guidelines
    a. Funding Agricultural Replacement Measures for Emission Reductions 2018 Guidelines
3. Internal Sacramento Metropolitan Air Quality Management District policies and procedures
    a. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) 2018 Policies and Procedures Manual
4. Organizational chart for Sacramento Metropolitan Air Quality Management District Carl Moyer Program staff
    a. Sacramento Metropolitan Air Quality Management District Organization Chart as of December 2025
    b. Sacramento Metropolitan Air Quality Management District Organization Chart as of August 5, 2019
5. Business process workflows or description of workflows
    a. Sample Contracting Process Diagram
    b. Sample Grant Status Process Diagram
    c. Sample Reimbursement Process Diagram
6. Disbursement Requests from Sacramento Metropolitan Air Quality Management District to the California Air Resource Board
    a. Advance Payment Request Form for Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Year 2 submitted on November 12, 2021

b. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Grant Disbursement Request Form for Year 2 submitted on July 9, 2020
c. Year 2 Project List for Disbursement Request Submitted on July 9, 2020
d. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Grant Disbursement Request Form submitted on November 29, 2021

7. Solicitations and outcomes for each year
   a. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Year 2 Project List Fiscal Year 2018-2019
   b. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 10, 2026
   c. Agreement Funding List for Moyer, CAP & FARMER Audit as of February 17, 2026
   d. Agreement Funding List for Moyer, CAP & FARMER Audit as of March 1, 2026
8. Documentation of outreach efforts
   a. Farm Funding Outreach Flyer
   b. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Presentation presented by Mike Neuenburg on July 24, 2018
   c. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) & Moyer Program Presentation presented by Mike Neuenburg on November 26, 2019
   d. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Presentation presented by Sondra Spaethe & Mike Neuenburg on August 27, 2018
9. Yearly Reports submitted by Sacramento Metropolitan Air Quality Management District to the California Air Resources Board
   a. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Semi-Annual Report submitted to the California Air Resources Board on March 31, 2025
   b. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Year 2 Close-Out Reporting Form submitted on April 23, 2025
   c. Attachment A to Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Year 2 Close-Out Reporting Form submitted on April 25, 2025
10. Accounting records and reports specific to Funding Agricultural Replacement Measures for Emission Reductions Program
    a. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Year 2 Interest Calculation as of March 31, 2025
11. Agreement with Feather River

   a. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Year 2 Application
   b. Agreement between Sacramento and Feather Air Quality Management Districts
   c. Documentation of funds re-directed from Feather River Air Quality Management District

12. Audit Reports
   a. Sacramento Metropolitan Air Quality Management District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Clean Cars 4 ALL

1. Grant Agreements
   a. G21-CC4A-04 FINAL
   b. G21-CC4A-04-01
2. Retire and Replace Implementation Plan
   a. 2022 Clean Cars 4 All Implementation Manual
   b. 2024 CC4A Implementation Plan
3. Access Clean California Coordination
   a. Access Clean CA - District Response
   b. Access Clean CA Referrals 2024
4. Participants
   a. G21 Funded Projects List
5. Accounting Records
   a. Finance_ARB Summary (Summary of financials for FY24-25)
6. Quarterly Reporting to CARB
   a. 2023 Q3 Exhibit E (Quarterly update on incentive deployment)
   b. 2024 Q1 Exhibit E (Quarterly update on incentive deployment)
   c. 2024 Q2 Exhibit E (Quarterly update on incentive deployment)
   d. 2024 Q3 Exhibit E (Quarterly update on incentive deployment)
   e. 2024 Q4 Exhibit E (Quarterly update on incentive deployment)
   f. 2025 Q1 Exhibit E (Quarterly update on incentive deployment)

g. 2024 Q1 CC4A Quarterly Report
h. 2024 Q2 CC4A Quarterly Report
i. 2024 Q3 CC4A Quarterly Report
j. 2024 Q4 CC4A Quarterly Report
k. G21 Exhibit E Final Report

7. Non-Compliance and Corrective Actions
   a. CC4A Compliance Plan (General compliance plan for incentive program)
   b. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 1 (Notice of terms violation to recipient and request for reimbursement)
   c. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 2 (Notice of terms violation to recipient and request for reimbursement)
   d. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 3 (Notice of terms violation to recipient and request for reimbursement)
   e. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 4 (Notice of terms violation to recipient and request for reimbursement)
   f. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 5 (Notice of terms violation to recipient and request for reimbursement)
   g. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 6 (Notice of terms violation to recipient and request for reimbursement)
   h. Clean Cars 4 All Non-Compliant Grant Reimbursement Notification 7 (Notice of terms violation to recipient and request for reimbursement)

8. Participant Surveys
   a. G21 Compliance Surveys (Survey results of incentive recipient compliance)

Appendix E: Clean Cars 4 All Charts

Appendix E contains exhibits that visualize and demonstrate participant and vehicle breakdowns observed during the review period (Q4 2023). **Exhibit 22** demonstrates the breakdown of replacement vehicles purchased by program participants, with Toyota representing over half of all vehicles incentivized during the review period**. Exhibit 23** details the breakdown of participants by FPL% during the reporting period and shows that the overwhelming majority of participants were within the 225% FPL group. Finally, **Exhibit 24** provides an overview vehicle mileage at the time of retirement by participants, categorized as less than 100,000 miles, between 100,000 and 150,000 miles, between 150,000 and 200,000 miles, and more than 200,000 miles. Nearly half of all vehicles retired during the review period were above 200,000 miles.

Exhibit 22
CC4A Replacement Vehicle Manufacture Distribution, 2023

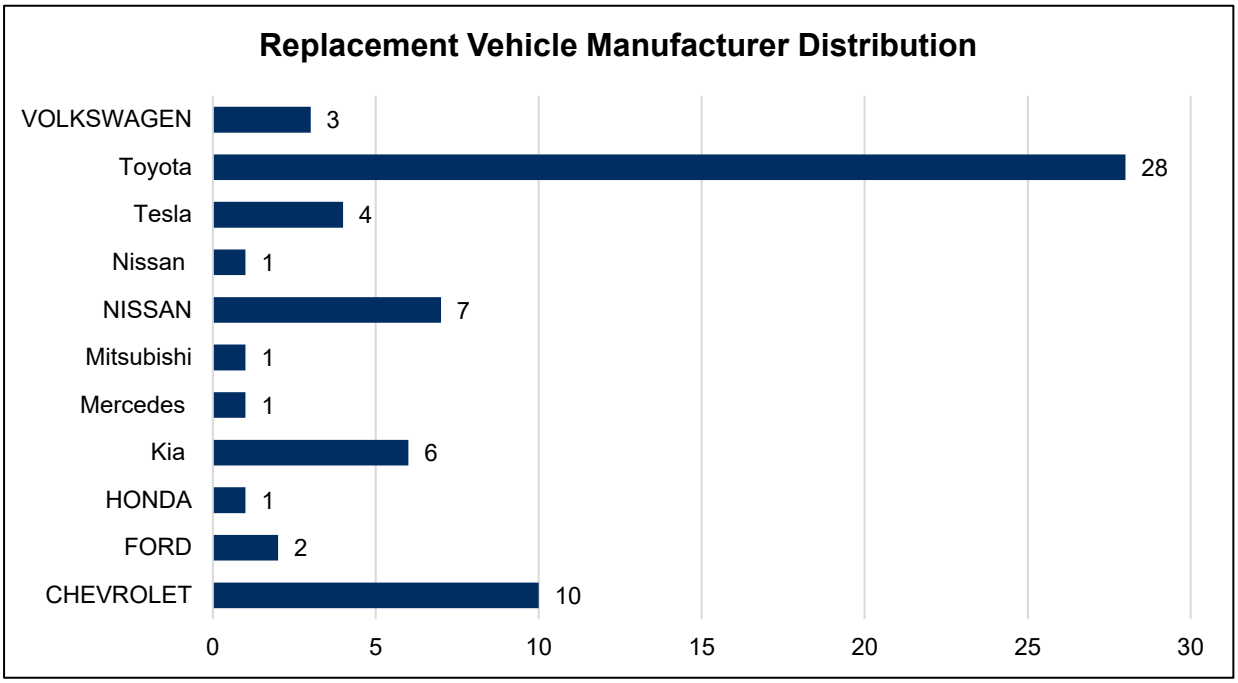


Exhibit 23
CC4A Income Tier Distribution, 2023

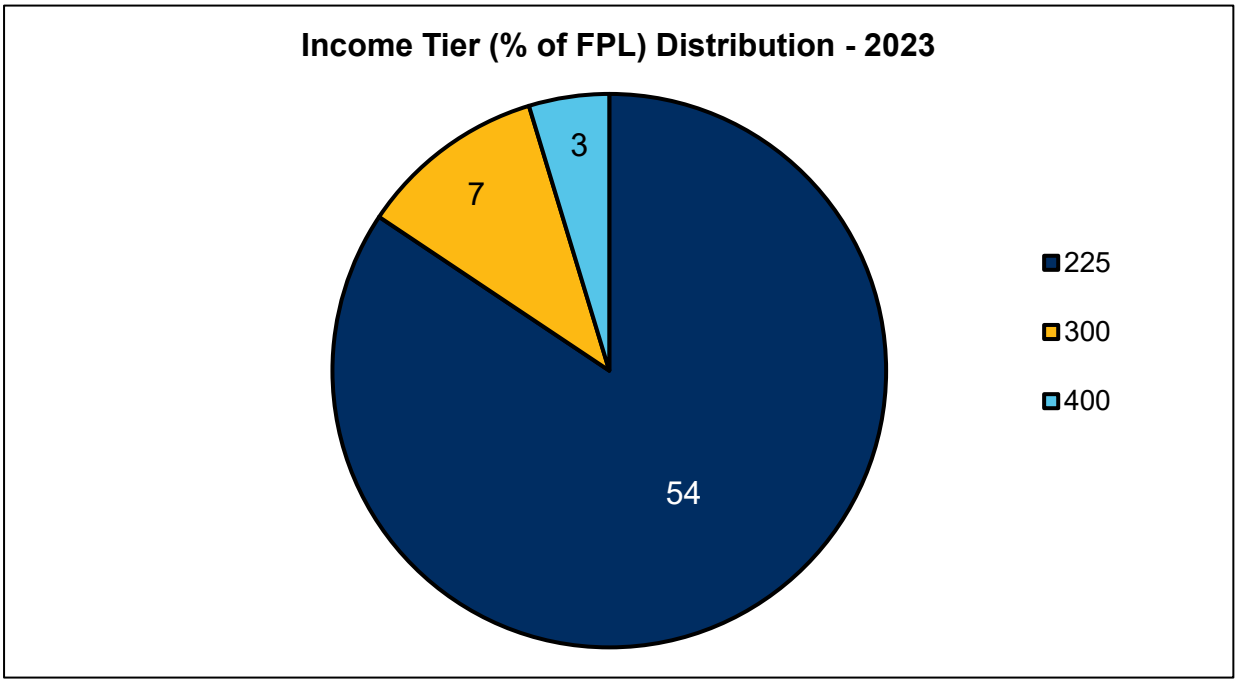
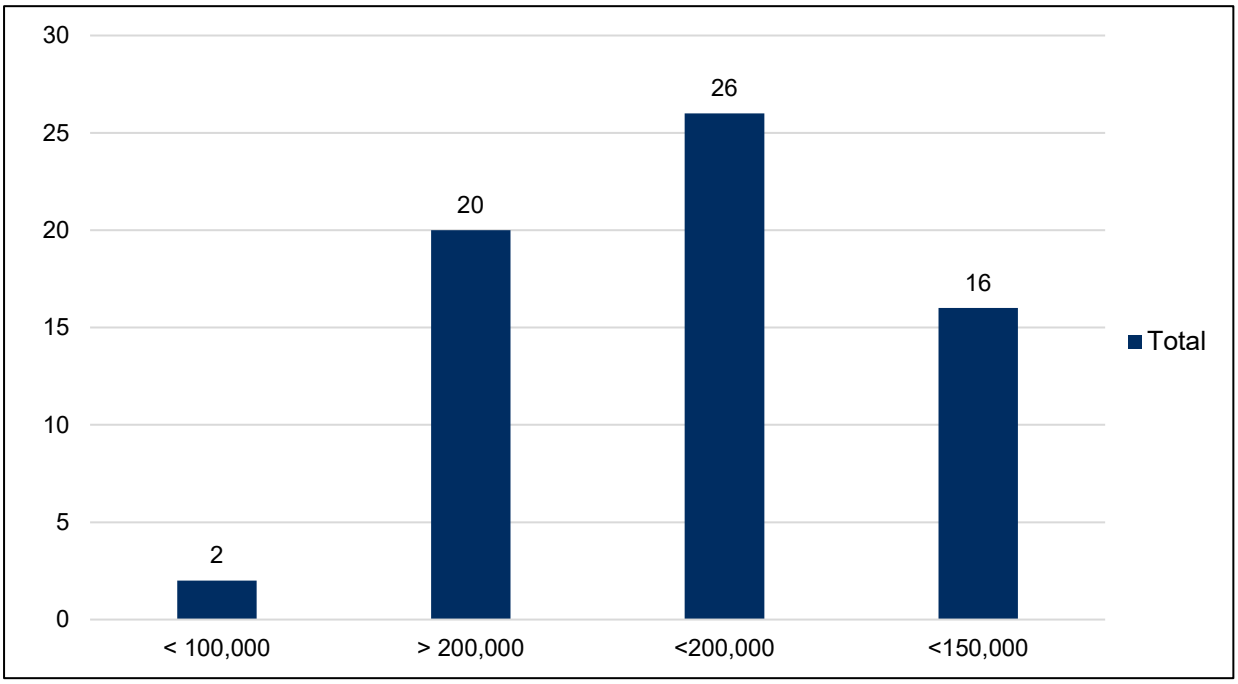


Exhibit 24
Retired Vehicle Mileage Distribution, 2023



Appendix F: Salvage Program Overview

Per Chapter 3: Program Administration, Section 5: Recapture and Salvage Revenue, "revenues earned or collected by the air district through Moyer Program resources, including revenues obtained through salvage and sale of scrapped equipment, must be reported and either retained as a supplemental source of funds for Moyer projects or forwarded to CARB for deposit to the Air Pollution Control Fund. If recaptured funds or salvage revenues are invested, such revenues must meet the requirements of Section M.4.(B) above. Air districts are not required to earn funds through program actions or expected to base business decisions on their ability to generate returns or collect funds through program activity"[21]. In accordance with this guidance, Sac Metro launched a Salvage Program.

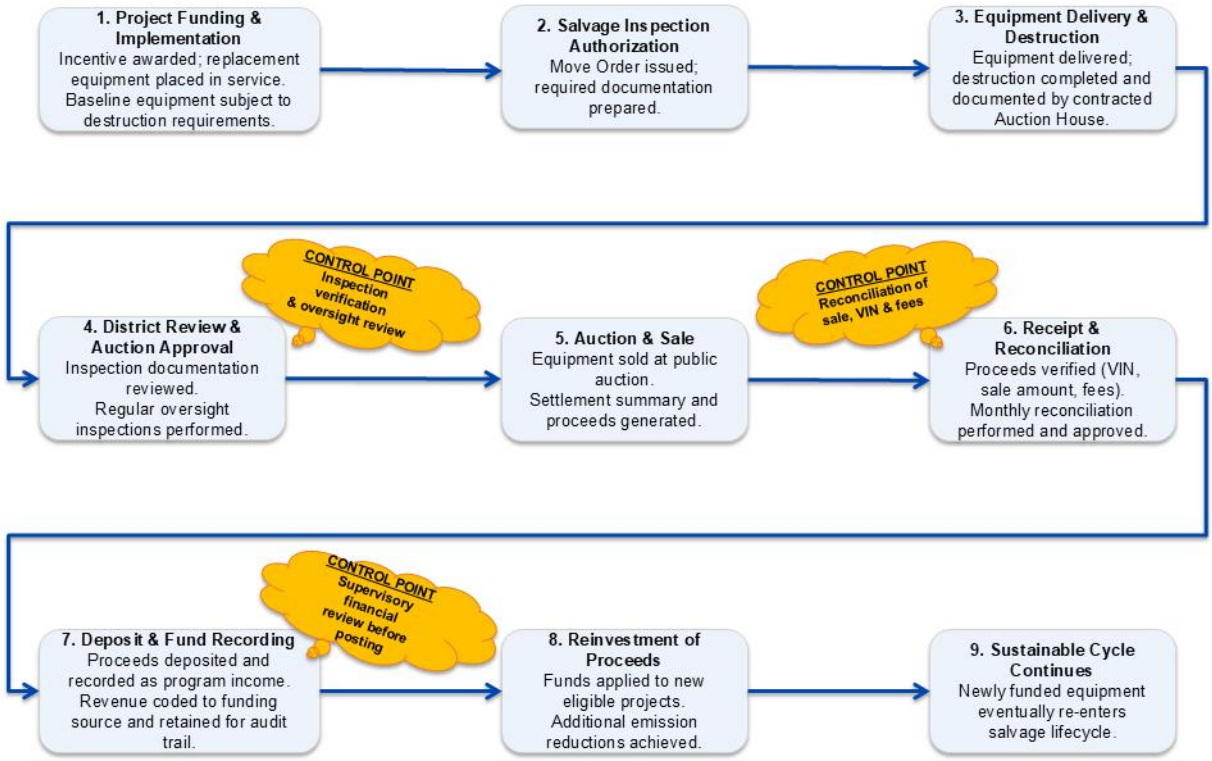
Sac Metro's Salvage Program enhances the effectiveness of the Moyer Program (and potentially all associated Programs, but Crowe specifically reviewed the Salvage Program within the scope of the Moyer Program) by extending the impact of incentive funding beyond the initial project award. Under the program structure, incentive recipients purchase and place cleaner replacement equipment into service, while baseline equipment is permanently destroyed in accordance with program requirements. This ensures verified emissions reductions and prevents continued operation of higher-polluting equipment. The destruction process is subject to documented inspection, review, and oversight procedures designed to confirm compliance with program standards and maintain eligibility for subsequent reinvestment activities.

Following verified destruction, salvaged equipment is sold through an auction process. Sac Metro selected and contracted with a local auction house through competitive solicitation. Further, the contract with the auction house includes contractual requirements outlining that the auction house must maintain compliance with Moyer Program guidelines, including inspection and destruction checklists and photographic evidence, which Sac Metro reviews for accuracy and completeness and retains for documentation purposes.

Rather than treating auction proceeds as incidental revenue, Sac Metro has established a structured reconciliation and accounting framework to validate sale amounts, verify inventory identifiers, confirm applicable fees, and record net proceeds as program income. Reconciliation procedures are subject to supervisory review prior to financial posting, strengthening internal control over the completeness and accuracy of recorded salvage revenue. This structured approach ensures transparency, preserves the audit trail, and supports continued compliance with program requirements. In **Exhibit 25,** Crowe provides a workflow of the Salvage Program from initial project funding through reinvestment of salvage proceeds, based off interviews and walk-throughs that Crowe conducted with Sac Metro Moyer Program subject matter experts. Embedded control points highlight inspection verification, reconciliation procedures, and supervisory financial review activities supporting program compliance.

[21] 2024 Carl Moyer Program Guidelines Chapter 3 Program Administration

Exhibit 25
Salvage Program – Reinvestment Workflow



The distinguishing feature of the Salvage Program is its reinvestment mechanism. Net auction proceeds are accumulated within the designated program fund and subsequently applied to finance additional eligible incentive projects and administrative costs (at 6.25% of total proceeds, aligned with Moyer Guidelines). **Exhibit 26** below reports the revenue generated by Sac Metro, during FY19-20, from salvaged and auctioned equipment that would have otherwise been scrapped.

Exhibit 26
Proceeds – Salvage Equipment Auction
FY2019-20

Revenue Source	Allocated for Program Expenditures	Allocated for Administrative Expenditures	Total Salvage Proceeds
Salvage Proceeds	$79,664.08	$5,310.92	$84,975.00

Through this approach, Sac Metro has developed a creative and sustainable revenue model that supplements original grant allocations without requiring additional appropriations. The reinvestment cycle expands the number of beneficiaries served and amplifies emissions reductions over time. By prioritizing projects in disadvantaged communities consistent with program objectives, the reinvestment mechanism further advances environmental equity and broadens access to cleaner technologies. In **Exhibits 27 and 28** below, Crowe highlights the project funded by the salvage proceeds that were generated in FY19-20. Sac Metro's generation of salvage proceeds created an opportunity to fund a project — that may not have been funded otherwise — that directly impacts a designated Environmental Justice (EJ) area, as designated by CalEPA, and provides the community with measurable benefits in emissions reductions. Crowe refers to these metrics, collectively, as the return on *reinvestment*.

Exhibit 27
Projects Funded by Salvage Proceeds – Return on Reinvestment
FY2019-20

Source Category	Number of Projects Selected Funded	EJ Project	Payment Amount
Off-Road Equipment – Mobile Agricultural	1	Yes	$79,664.08

Exhibit 28
Emissions Reduction – Return on Reinvestment
FY2019-20

Program Name	Number of Projects	NO_x Reductions (Tons per Year)	ROG Reductions (Tons per Year)	PM Reductions (Tons per Year)	NO_x + ROG + PM (Tons per Year)
Carl Moyer Program (CMP)	1	3.69	0.33	0.21	4.23

In addition to financial sustainability, the program promotes resource efficiency and green practices by facilitating recycling and material recovery through the salvage process. The lifecycle model — funding, destruction, auction, reconciliation, reinvestment, and repeat — creates a self-reinforcing system that maximizes public benefit from each original incentive dollar. The combination of structured controls, documented oversight, and an innovative reinvestment strategy positions the Salvage Program as a potential model framework for other air districts seeking to strengthen program effectiveness, enhance environmental outcomes, and leverage creative mechanisms to extend the reach of limited public funding.

Appendix G: Inter-District Funding Redirection

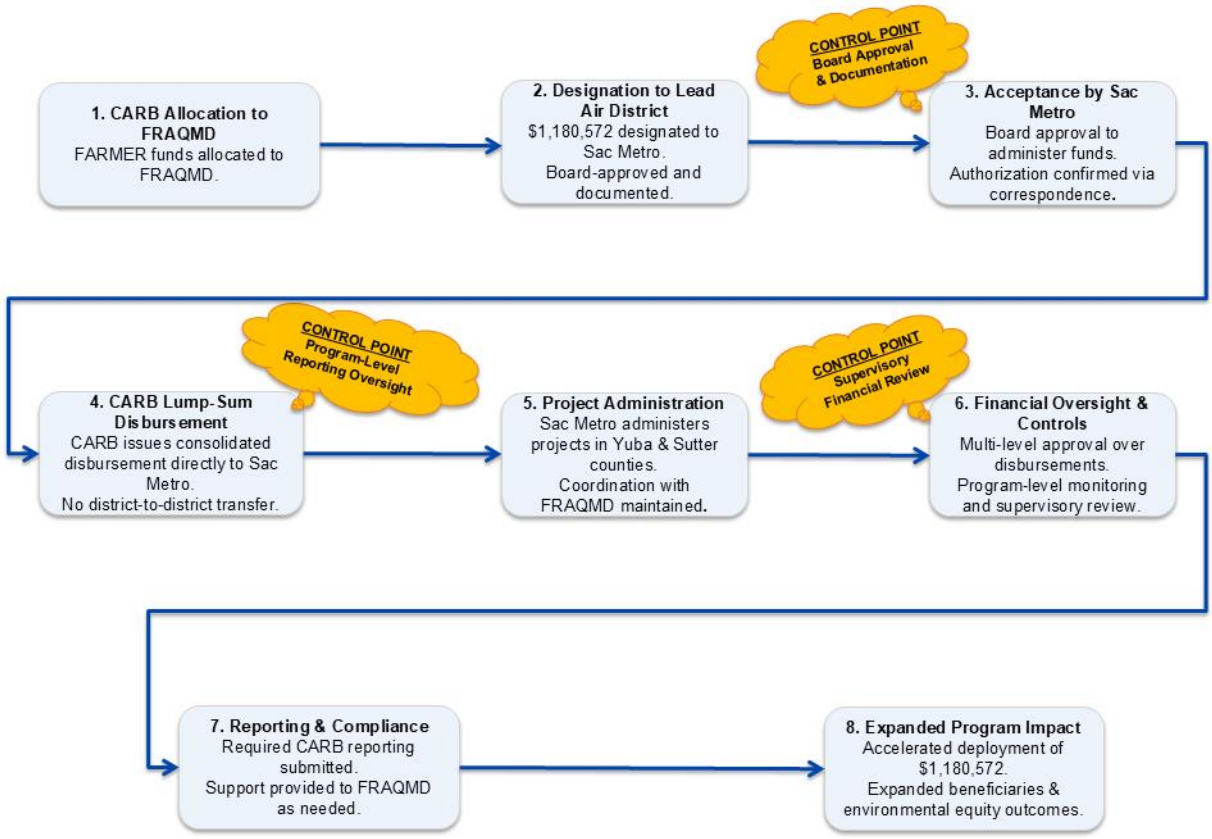
Due to proficiency in identifying, screening for eligibility, monitoring, and reporting related to on-road truck projects, Feather River Air Quality Management District (FRAQMD) elected to redirect its allocation of FARMER funding to Sac Metro during the FY18-19 funding year. The redirection of $1,180,572 in FARMER Program funds from FRAQMD to Sac Metro represents an effective and innovative example of cross-district stewardship designed to maximize public benefit. Rather than allowing administrative capacity constraints to limit deployment of available funds, FRAQMD formally designated $1,180,572 to Sac Metro, as a lead air district, for Year 2 FARMER implementation.

Our review confirmed that the redirection was properly authorized through documented board approval, signed application materials, and contemporaneous correspondence specifying the amount and intended geographic use of funds. Although a separate written inter-district agreement was not effectuated — and not required under CARB or Moyer Program guidance — required documentation supporting the redirection was evidenced, and no exceptions were identified in our review.

From a governance and oversight perspective, Sac Metro demonstrated the capacity to absorb and administer the redirected $1,180,572 within its established internal control environment. Funds were issued directly by CARB to Sac Metro as part of a lump-sum disbursement, consistent with program structure. Program-level revenue and expenditure reporting was reviewed, and no exceptions were noted. In addition, our procedures identified multi-level approval processes over disbursements and supervisory oversight of program transactions.

Sac Metro collaborated with FRAQMD to confirm that selected projects operating within FRAQMD’s jurisdiction were in good standing with FRAQMD and aligned with local requirements. This coordination reduced compliance risk while preserving local accountability and transparency. In **Exhibit 29,** Crowe provides a workflow of the redirection of funds from FRAQMD to Sac Metro, based off interviews and walk-throughs that Crowe conducted with Sac Metro FARMER Program subject matter experts. Embedded control points highlight board approval and documentation, reporting oversight, and supervisory financial review activities supporting program compliance.

Exhibit 29
Funding Re-Direction (FRAQMD) – Process Workflow



The redirection model enhances program effectiveness by accelerating deployment of incentive funds and expanding beneficiary reach. Through this arrangement, the funds designated by FRAQMD were deployed toward eligible on-road truck projects serving Yuba and Sutter counties, thereby maintaining geographic intent while leveraging Sac Metro's administrative infrastructure. This structure promotes continuity of emissions reduction activities, avoids delays associated with underutilized administrative capacity, and increases the number of projects implemented within disadvantaged communities prioritized under program guidelines. By pairing financial redirection with operational collaboration, the districts preserved local impact while improving administrative efficiency.

From an innovation standpoint, the FRAQMD redirection demonstrates a scalable framework for regional cooperation among air districts. The model illustrates how districts can maintain compliance with CARB requirements while leveraging shared administrative capacity to maximize environmental and community benefits. When combined with Sac Metro's reinvestment mechanisms — which generate supplemental program income through salvage and auction activities — the cross-district approach amplifies both the financial and environmental impact of original grant allocations. This coordinated structure strengthens fiscal

stewardship, supports transparent reporting, expands the number of beneficiaries served, and positions the participating districts as potential models for collaborative program administration statewide.

Appendix H: Clean Cars 4 All Detailed Processes

Clean Car Replacement Incentives

The Clean Cars 4 All (CC4A) vehicle replacement incentive is designed to help income-qualified residents retire older, high-emitting vehicles and replace them with cleaner, more efficient alternatives. Participants who meet income and vehicle eligibility requirements receive a grant to scrap their existing vehicle and purchase or lease an eligible replacement, which include:

- Battery Electric Vehicles (BEVs),
- Plug-in Hybrid Electric Vehicles (PHEVs), or
- Hybrid vehicles with an EPA estimated fuel economy that exceeds 35 MPG

Incentive amounts vary based on household income, residency in disadvantaged communities, and the type of replacement vehicle selected, with higher awards generally available for zero-emission vehicles.

To qualify, a vehicle being retired must be an operable gasoline- or diesel-powered passenger vehicle that meets minimum model year and registration requirements, including being continuously registered in California for 24 months prior to application. The vehicle must pass an operational inspection, have no branded or salvage title, and be dismantled at an authorized dismantler once approved. Replacement vehicles must meet program eligibility criteria, which generally include being a new or used battery electric, plug-in hybrid electric, or other approved low-emission vehicle, meeting price caps, and in the case of used vehicles, meeting mileage and warranty requirements. Participants must be California residents within district, meet household income limits (ranging between 200 and above 400% FPL), and comply with program terms such as maintaining ownership and registration of the replacement vehicle in California for a minimum of 30 months.

Customer Application and Acceptance Overview

The application process is managed through Fluxx, a web-based grant management system that oversees the full lifecycle of the grant, from initial intake through final payment. The platform is utilized by applicants, participating dealerships, case managers, and internal staff to ensure transparency and continuity throughout the process.

The process begins when an applicant creates a login within Fluxx and submits the required application materials. Case managers and internal staff then conduct an initial review to determine eligibility. This review includes verification of residency, income qualifications, and vehicle eligibility requirements such as model year. As part of this stage, a vehicle pre-inspection is conducted, and the inspection results are uploaded directly into the Fluxx system for documentation and review.

Once eligibility is confirmed and the application is approved, the applicant is required to sign the necessary documentation via DocuSign. The application then undergoes a second-level review, which includes additional quality assurance and quality control (QA/QC) performed by Sac Metro staff. The file is subsequently forwarded to a program supervisor for further QA/QC to ensure compliance with all program requirements prior to award approval.

After the award is formally granted, Fluxx automatically notifies the applicant. A purchasing checklist is provided to guide the applicant through the next steps. At this stage, payment is created within the system, allowing the dealership to verify funding availability on their end before finalizing the transaction.

Following the sale of the vehicle, the applicant must upload additional documentation into Flux. Required documents include the executed sale contract and, if applicable, a CarFax report (when used vehicles are purchased). The completed file is then routed to the program manager for final quality control review. Once approved, the finance department is notified and conducts its internal financial review and processing procedures.

After payment has been completed, the applicant is required to scrap the original vehicle in accordance with program guidelines. Upon final completion of all requirements, Fluxx automatically distributes post-program surveys to gather participant feedback and support ongoing program evaluation.

Charging Infrastructure Subsidies

income-qualified participants who replace their old vehicles with eligible plug-in hybrid or zero-emission vehicles may also receive support for charging infrastructure. The statewide CC4A incentive structure includes up to $2,000 in charging incentives that can be used toward the cost of a home level 2 EV charger and installation or prepaid public charging credits when participants purchase or lease an eligible electric vehicle.

Sac Metro partnered with EVgo and other stakeholders to expand access to public EV charging for CC4A participants, although specific elements like the EVgo prepaid charging option have been temporarily on hold at times while alternative solutions are developed.

Vehicle Retirement / Scrapping Program

Qualifying participants must retire their older, high-polluting vehicle before receiving incentives towards a clean air replacement. To be eligible for retirement, the vehicle must meet specific criteria: it must be a gasoline or diesel-powered light or medium duty vehicle (typically up to 10,000 lbs), be a designated model year that meets program minimums, and be continuously registered in California for at least the past two years with limited breaks in registration. Vehicles must also be operational at the time of inspection, and participants may be required to complete a functionality or smog-check test administered by the District, its contractor, or an authorized dismantler. Once the vehicle passes pre-inspection, it must be relinquished to an *authorized CC4A dismantler* for scrapping; participants are generally required to turn the vehicle over within a set period after inspection and cannot sell, donate, or otherwise retire it through another program. Sac Metro partnered with Pick-N-Pull, a California Bureau of Automotive Repair (BAR)-certified scrapping company with facilities located within the district, to assist with retired vehicle dismantling and scrapping.

Clean Mobility and E-Bike Incentives

Participants who qualify for vehicle retirement and replacement incentives also have the option to choose *clean mobility alternatives* instead of a replacement vehicle. One key alternative mobility option is an electric bike (e-bike); eligible participants may receive up to $7,500 (face value) toward the purchase of an e-bike in lieu of replacing their old vehicle with a cleaner car, plug-in hybrid, or zero-emission vehicle. This option is designed to support lower-income residents in accessing affordable, zero-emission transportation that reduces reliance on older, polluting vehicles while providing flexible mobility solutions for everyday travel within Sacramento County.

To facilitate e-bike incentives, Sac Metro partners with authorized e-bike retailers who participate in the CC4A program. Once a participant is deemed eligible and receives an award letter, they can shop for an e-bike at a participating retailer within a specified shopping window; the grant amount is applied at the point of sale, and the retailer submits documentation to the District for reimbursement. This structure helps streamline access to e-bikes while ensuring that incentive funds are processed efficiently.