

# Off-Road Equipment Replacement Program

## Agreement between Salvage Yard and Tehama County Air Pollution Control District

This agreement (Agreement) is between Tehama County Air Pollution Control District (District) and Chico Scrap Metal, Inc. (Salvage Yard).

### 1.0 RECITALS

- 1.1 The entire District is classified as a state ozone nonattainment area as well as Tuscan Buttes is classified as a federal ozone nonattainment area due to the fact that the level of ozone in the ambient air exceeds the state and federal health-based standards.
- 1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated by vehicles, including off-road equipment. In order to bring the District into attainment with the state and federal standards, we need to work together to reduce the levels of NOx emitted.
- 1.3 The California Air Resources Board (ARB) has developed several programs to help Air District's achieve the state and federal standards. One of these programs is the Off-Road Equipment Replacement Program (the Program). This Agreement is one step in implementing that Program.
- 1.4 The objective of the Program is to accelerate the retirement of older high polluting off-road equipment through financial incentives that will encourage the voluntary replacement of uncontrolled equipment with new equipment that uses low emission technology.
- 1.5 Under the Program, the District will provide financial incentives to equipment owners that agree to destroy their old equipment and then replace it with new, low emission equipment.
- 1.6 To ensure that actual reductions result from the Program, it is essential:
  - That the old equipment is inspected to verify that it qualifies for the Program
  - That the old equipment is destroyed properly to permanently eliminate its potential for emissions
  - That a digital hour meter is installed in the new equipment to measure future actual hours of operation within the District, and
  - That particulate emission control devices be installed if they are available, safe, and cost effective
- 1.7 The salvage yard is in the business of scraping used off road equipment.
- 1.8 The salvage yard has reviewed and is familiar with the District's Off-Road Equipment Replacement Program.
- 1.9 The salvage yard understands that the purpose of the Program, and this Agreement, is to help the District achieve clean air standards as required by state and federal law.
- 1.10 The salvage yard wishes to enter into this Agreement so that it will be eligible to receive old equipment participating in the program.
- 1.11 The District has not reviewed the salvage yard operations or reached any conclusion on the quality of the salvage yard operation. The District is permitting the salvage yard to enter into this Agreement solely because the salvage yard has represented to the District that it is aware of the Program goals and agrees to abide by the Program requirements. The salvage yard shall not represent or imply, to any party, that the District has approved or endorsed the salvage yard's operations.

## 2.0 CONDITIONS:

The parties agree that:

2.1 **DEFINITIONS:** As used in this Agreement, the following terms have the following meanings:

- **Program Participant**—the individual or business entity that is surrendering its off-road equipment and receiving funds to aid in the purchase of new off-road equipment.
- **Old or Existing Equipment**—the off-road equipment that the Program Participant surrenders for destruction.
- **Replacement Equipment**—the new equipment purchased by the Program Participant. Used equipment meeting the most recent Model Year CA emission standard qualifies as new equipment if sold by the dealer with the required warranties and documentation of how the price was depreciated to account for the used condition and the number of operating hours of accumulated use since new.

2.2 **PAYMENT:** The salvage yard will not be paid or otherwise reimbursed by the District. Funding is not available for the salvage of any existing equipment. The existing salvage value will be negotiated between the participant, the dealership, and the salvage yard.

2.3 **SALVAGE YARD REQUIREMENTS:** Unless otherwise indicated, the salvage yard must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The salvage yard agrees to do the following:

1. Within 30 days of notification from District, participant, and/or dealership that replacement equipment has been delivered to applicant, the salvage yard shall receive the old equipment.
2. Within 60 days of notification from District, participant, and/or dealership, the salvage yard shall destroy the old equipment engine and chassis to permanently remove them from service. The engine shall be destroyed by a hole in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (no symmetrical squares or circles) and a section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole. The chassis shall be destroyed by cutting structural components of the equipment, or other manner as approved by the District. The destruction method of the equipment will vary depending on the structure of the equipment:
  - Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
  - Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
  - Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
  - Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.
3. The salvage yard shall provide the following photographs to the District **within 10 days** of salvaging old equipment:
  - Destroyed engine block
  - Cut structural components
  - Equipment serial number
  - Engine side view
  - Engine serial number
  - Destroyed attachments, if scrapped
  - Other photographs as requested by District
4. The salvage yard may request the District staff perform the salvage inspection and take photographs in lieu of submitting photographs in 2.3 (3). The salvage yard shall contact the

District to schedule a salvage inspection at least one week prior to scheduled salvage to arrange inspection.

5. The salvage yard shall submit certification form and all photographs listed in 2.3 (3) within 10 days of destruction.

2.4 **CANCELLATION:** The District may terminate this agreement if the salvage yard fails to comply with its requirements. Any salvage yard whose agreement was cancelled for cause and subsequently re-applies for a new agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the termination of the previous agreement.

2.5 **AMENDMENTS:** No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.6 **TERM:** This Agreement shall begin upon execution by both parties and terminate on December 31, 2028.

2.7 This Agreement consists of:

- This Agreement
- Exhibit A, TCAPCD Off-Road Equipment Replacement Program
- Exhibit B, Off-Road Equipment Replacement Program Salvage Certification Form

2.8 Correspondence between the District and the salvage yard should be addressed to the following:

To District:

Jamee Dawson  
Tehama County APCD  
P. O. Box 1169  
Red Bluff, CA 96080  
Phone: (530) 527-3717  
Fax: (530) 527-0959

To Salvage Yard:

Contact Name Heather Scott  
Business Name Chilo Scrap Metal Inc  
Business Address 7160 rd - chilo Hwy  
City, State, Zip durham, CA 95938  
Phone: (530) 345-6241  
Fax: \_\_\_\_\_

The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, email, or fax.

2.9 The undersigned representative of Salvage Yard affirmatively states that he or she has legal authority to bind Salvage Yard to the terms of this Agreement.

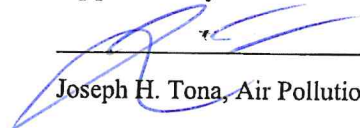
**Approved by Salvage Yard**

Heather Scott Manager

Name and Title

Date: 10/23/2024

**Approved by the Tehama County Air Pollution Control District**

  
Joseph H. Tona, Air Pollution Control Officer

Date: 11-6-24



**E-Contract Review**  
**Approval as to Form**

Department Name: Air Pollution Control

Vendor Name: Chico Scrap Metal Inc

Contract Description: For the purpose of Carl Moyer/FARMER off road  
equipment replacement program.

APPROVED AS TO FORM:

A handwritten signature in black ink, consisting of a large, stylized letter 'M' with a horizontal line extending to the right, enclosed within a circular scribble.

Office of the Tehama County Counsel  
Margaret E. Long, Interim County Counsel

Date: 10/29/2024

