

Bay Area Air Quality Management District

# Grant Opportunity Announcement

# Charge Fast! Program

# Funding is available for projects that expand the Bay Area region's network of plug-in electric vehicle fast-charge stations

# **Program Guidance**

For Fiscal Year Ending (FYE) 2016 Open to public and non-public entities

> Bay Area Air Quality Management District 939 Ellis Street, San Francisco, CA 94109

March 2016 (Revised March 22, 2016)

The deadline for receiving applications is 4 PM on March 28, 2016.

### Table of Contents

BAY AREA AIR QUALITY MANAGEMENT DISTRICT	1
GRANT OPPORTUNITY ANNOUNCEMENT	1
TABLE OF CONTENTS	2
OTHER GRANT OPPORTUNITIES	2
BACKGROUND INFORMATION	3
BAY AREA AIR QUALITY MANAGEMENT DISTRICT (AIR DISTRICT): Funding Sources	3 3
PROGRAM INFORMATION	3
Purpose of Charge Fast! Solicitation Program Funding Amount limits Program Schedule (tentative) Application Process, Pre-Application Webinars, and Contact Information Evaluation Process	3 4 4 5 6
REQUIREMENTS AND ELIGIBILITY	6
For ApplicantS / Grantees For ProjectS Monitoring and Reporting Funding Limits, Use of Grant and Match Funds, and Reimbursement Process	6 8 10 10
APPENDIX A: INSURANCE GUIDELINES	12

## Other Grant Opportunities

The Air District offers grants and incentives for the following project types:

- Zero Emission Vehicles & Fueling Infrastructure
- School Buses
- Trip Reduction
- Bicycle Parking and Bikeways

- Marine Vessels
- Locomotives
- Community Grants
- Agricultural Equipment

#### For more information on Air District Grants and Incentives contact us:

Website: <u>www.baaqmd.gov/grants</u> Email <u>grants@baaqmd.gov</u>



## **Background Information**

#### BAY AREA AIR QUALITY MANAGEMENT DISTRICT (AIR DISTRICT):

The California Legislature created the Bay Area Air Quality Management District (Air District) in 1955 as the first regional air pollution control agency in the country, recognizing that air emissions overflow political boundaries. The nine counties of the San Francisco Bay Area form a regional air basin, sharing common geographical features and weather patterns, and therefore similar air pollution burdens, which cannot be addressed by counties acting on their own.

The Air District is the public agency entrusted with regulating stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. The Air District has prepared and regularly updates plans that include transportation control measures (TCMs), defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions," and mobile source measures (MSMs), which encourage the introduction of newer, cleaner motor vehicle technologies and the retirement of older, more polluting vehicles. The 2010 Clean Air Plan (CAP) is the Air District's most recently adopted plan.

#### FUNDING SOURCES

Funding for *Charge Fast!* (Program) is provided by the Air District's Transportation Fund for Clean Air and the California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program.

#### Transportation Fund for Clean Air (TFCA):

Vehicle emissions contribute to unhealthful levels of ozone (summertime "smog") and particulate matter. Onroad motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the Bay Area. In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds through its TFCA program to fund eligible projects. The statutory authority and requirements of the TFCA program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and through a grant program known as the Regional Fund Program. The remaining forty percent (40%) of TFCA funds are forwarded to the designated agency within each Bay Area county and distributed through the County Program Manager program (see <a href="http://www.baaqmd.gov/tfca4pm">www.baaqmd.gov/tfca4pm</a> for details).

#### Alternative and Renewable Fuel and Vehicle Technology (ARFVT) Program:

Assembly Bill 118 created the ARFVT Program. The statue, subsequently amended by AB 109 and AB 8, authorizes the California Energy Commission (CEC) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies.

## **Program Information**

#### PURPOSE OF CHARGE FAST! SOLICITATION

The Air District is seeking applications from public and private entities that propose to deploy direct current (DC) fast charging stations at remote destinations and along the Bay Area's transportation corridors in order to fill-in gaps that will extend the range of plug-in electric vehicles (PEV) and improve PEV drivers' opportunities for intra- and interregional travel. Each charging Facility will be comprised of one to two new DC fast charging stations, with at least one CHAdeMO port and one SAE Combo port, and one or more J1772 level 2 charging stations (new or existing). Project sponsors will install, and operate the charging stations for a minimum of three years and collect and report Facility usage and demand data. Grantees will

also provide project information that will be used to document information for case studies in fast-charge station deployments. Information gathered from this Program will be published in a paper to the CEC.

This is a competitive solicitation; funds will be awarded *based on cost-effectiveness* with priorities for projects located either in Highly Impacted Communities/Community Air Risk Evaluation (CARE) Areas or having a driving distance greater than 15 miles from the nearest publicly accessible DC Fast Charger.

The Air District reserves the right to modify this solicitation at its discretion.

#### PROGRAM FUNDING AMOUNT LIMITS

Approximately \$800,000 in grant funding is available for the Program, which will provide up to 75% of total eligible costs. The table below shows the maximum amount of funding for each type of station equipment, per equipment unit. The Air District will award funding to the most cost-effective projects. Applicants may improve their cost-effectiveness by requesting a *reduced funding amount*, which will improve their chances of being selected for award.

Project Scope		Maximum Award Amounts (Usage Requirement <sup>1</sup> )	
		Level 2 (9,000 kWh)	DC Fast (CHAdeMO + SAE Combo) ( 75,000 kWh)
¥	Charging Station	\$3,000	\$40,000
Bonus for Solar or Wind		\$0.50 per kWh generated, and up to a maximum of:	
	Power	\$3,000	\$25,000
<b>\</b>	*Total Maximum	\$6,000	\$65,000

Table 1. Program Funding Amount Limits

#### **PROGRAM SCHEDULE (TENTATIVE)**

Date	Activity
March 11, 2016	Program solicitation released
March 16 and 22, 2016	Pre-application webinars
March 28, 2016 at 4 PM	Application Deadline – Last day to submit applications
April 13, 2016 at 4 PM	Deadline to receive Board Resolutions <u>and proof of</u> <u>completion of environmental review/Notice of Exemption</u>
By May 29 <sup>th</sup>	Air District Board of Directors considers recommended awards to highest ranking applicants and Air District issues <b>Notice of Proposed Award</b> to all applicants.
By June 30, 2016	CEC considers recommended awards to highest ranking applicants and Air District issues <b>Notice of Final Award</b> to all applicants.

<sup>1</sup> The usage requirement for the Project Life will be evaluated on a per Project basis across all funded charging stations.

Bay Area Air Quality Management District <u>www.baaqmd.gov</u>

By August 31, 2016	<b>Proposed funding agreements</b> sent to awardees for signature	
Prior to funding agreements being executed by the Air District	<b>Pre- Project Inspection:</b> The Air District may conduct a physical inspection to verify that no work was completed at a facility prior to the execution of a funding agreement.	
After funding agreements have been executed, every month until all charging stations have been installed and placed into service.	<b>Monthly Interim Status Progress Reports:</b> Grantees submit these to the Air District during the project implementation phase	
	Project Sponsors:	
Within nine months of execution of a funding agreement	• All project-funded equipment must be purchased and placed into service; awarded funds must be expended	
	• Final Monthly Interim Status Progress Report and final invoice submitted to the Air District	
	Air District's Initial Payment(s) reimburses grantee 85% of the grant award (not to exceed 63.75% of actual eligible costs)	
After all Project equipment has been installed and placed into service	• <b>Operating Progress Reports:</b> first report after six months of operation data, and annually thereafter during Project Life	
	• <b>Final payment</b> : After the first operating report has been submitted to the Air District and after each of the funded chargers have dispensed an average of 5,000 kWh of electricity	
	• <b>Final Inspection:</b> The Air District may conduct a physical inspection of each facility during the Project Life	
After all Project requirements have been met and project sponsor has submitted the final invoice and final Operating Progress Report	<b>Audit:</b> Air District will conduct a fiscal audit of each funded project within three years from the date that the final payment is made.	

#### APPLICATION PROCESS, PRE-APPLICATION WEBINARS, AND CONTACT INFORMATION

Application materials are available online.

Applications must be submitted electronically using the <u>online application</u> with the following supporting documentation, except for the w-9:

- Evidence of Authority to Apply and Implement the Project: either as
  - A signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or
  - A signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors)
- Map showing each the location of each proposed facility and each of the charging stations
- Copy of cost estimate/quote for each facility

- Either a copy of the completed environmental review of the project, or a notice of exemption of environmental review of the project.
- Proof of authority to install and operate charging stations (e.g., copy of deed, lease agreement, or copy of agreement with owner if the property is not owned by the applicant)
- Proof of insurance

The following document needs to be submitted as a hardcopy to the Bay Area Air Quality Management District, Attn: *Charge Fast*! 939 Ellis Street, San Francisco, CA 94109:

• W-9 Form

Air District staff will conduct pre-application webinars to review the Program requirements, application process, and application evaluation criteria. Registration is required to participate in the webinars and early registration is encouraged as the webinars are limited to 100 attendees. *Webinar attendance is highly encouraged but not required*.

#### Webinar Schedule:

- Wednesday, March 16, 2016 (2:00PM to 3:00PM) (<u>Registration</u>)
- Tuesday, March 22, 2016 (10:00AM to 11:00AM) (Registration)

Based on demand, additional webinars may be scheduled. Notices about additional pre-application webinars will be sent via email to parties that have signed up to receive <u>TFCA email alerts</u>. Interested parties are also encouraged to visit the Program website for updates.

For questions regarding this Program, contact us at <u>grants@baaqmd.gov</u> with the subject line "Re: *Charge Fast*! Program."

#### **EVALUATION PROCESS**

- Only completed applications received by the deadline will be evaluated; incomplete applications will be rejected.
- Applications will be ranked based on cost-effectiveness. Applicants requesting the least amount of funding on a per unit basis per equipment type will be deemed the most cost effective.
- Projects located either in Highly Impacted Communities/Community Air Risk Evaluation (CARE) Areas or having a driving distance greater than 15 miles from the nearest publicly accessible DC Fast Charger will be prioritized. *Air District will use the US Department of Energy – Alternative Fueling Station Locator map to determine whether proposed projects meets Program criteria.*
- In the event of a tie, applications will be awarded based on the date a complete application was received.
- Applications found eligible for funding will be awarded after the application deadline based on their rank, until funding is exhausted.
- A contingency list may be created and used by the Air District to provide funding to eligible projects under this or other grant funding programs. In the event that projects are selected for future award, project sponsors would have to agree to accept additional project requirements, which may be more stringent than those that are listed in this solicitation package.

# Requirements and Eligibility

To be considered eligible for funding, applicants and projects must meet all of the respective requirements listed below.

#### FOR APPLICANTS / GRANTEES

1. Grantees are required to do the following:

- A. Install, maintain, and operate the funded equipment in accordance with all applicable state, federal, and local laws and regulations, including compliance with all applicable requirements of the Americans with Disabilities Act (ADA) throughout the term of the grant.
- B. Operate and maintain the charging stations properly and guarantee that the charging stations are accessible and serviceable for a minimum of three years and until usage requirements are met (Project Life).
- C. Obtain and maintain general liability, property, and workers compensation insurance throughout the term of the grant, with coverage no less than the amounts specified in the funding agreement (see APPENDIX A).
- D. Acknowledge the Air District and the CEC as the funding sources at all times during the term of the grant.
- E. Cooperate and allow the Air District, the CEC, and/or its authorized representatives to inspect all funded equipment at all times during the term of the grant, and to conduct financial audits of the project for up to three years after the final payment is made.
- F. Prepare and maintain all necessary project records to document project activities and performance to support the Program reporting requirements, and agree to make all records available to the Air District for at least three years after the final payment is made.
- G. Report usage and project specific data and allow the Air District or its authorized representatives to compile and publish reported usage and case-study information about the Project.
- 2. Authority to Apply and Implement Project: Applicants must demonstrate that they have the legal authority to submit the application, to enter into a Project Funding Agreement, to carry out the project, and to bind the applicant entity to perform all of the work associated with the proposed project, including the right or authorization to apply for and obtain necessary electrical/building permits, to install and operate the charging station until the usage requirements are met and for a minimum of three years, and to provide all required funding.
- 3. Viable Project and Matching Funds: This Program provides incentive funding on a reimbursement basis. Therefore, applicants must demonstrate that they have adequate funds from a non-Air District source to cover all stages of their proposed project(s) from commencement to the end of their Project's Life. In addition, applicants must demonstrate that they have available and are ready to commit all necessary matching funds from a non-Air District source of funding.
- 4. **In Compliance with Air Quality Regulations:** Applicants must certify that, at the time of the application and at the time of issuance of the grant, they are in compliance with all local (e.g., Air District), State, and Federal air quality regulations. Applicants who have an unresolved violation of Air District, State, or Federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
- 5. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until all of the unfulfilled obligations are met.
- 6. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a notice of proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign and return the Project Funding Agreement(s) within 60 days from the date the agreement(s) was transmitted to them in order to remain eligible for award.

7. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination of the finding(s) in

accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the Program Requirements and/or requirements of HSC Code section 44220 et seq. or otherwise failed to comply with the approved project scope, as set forth in the Project Funding Agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding until corrected.

- 8. **Good Faith Application:** Applications will be evaluated and recommendations for award of funding will be made based on the information provided by the applicants. The Air District reserves the right to reject an application and/or cancel an award at any time if any of the following circumstances are discovered:
  - A. The application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the applicant.
  - B. The application is intended to erroneously and fallaciously mislead the Air District in its evaluation of the application and the attribute, condition, or capability is a requirement of this solicitation.
  - C. The application does not literally comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.

#### FOR PROJECTS

- 9. California Health and Safety Code: Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq.
- 10. **Surplus Emission Reductions:** Projects must result in surplus reduction of motor vehicle emissions (i.e., reductions that are beyond what is required by regulations, contracts, and other legally binding obligations at the time the Air District executes the project's funding agreement).
- 11. **Project Commencement:** *Projects, including those that have been recommended for an award of funding, that commence prior to the execution of a funding agreement are not eligible for funding.* Activities that constitute project commencement include, but are not limited to:
  - A. Pre-ordering equipment;
  - B. Purchasing equipment;
  - C. Entering into contract to install charging stations; and
  - D. Beginning construction.
- 12. **Cost-Effectiveness:** Projects must not exceed a maximum cost-effectiveness (C-E) limit of \$250,000 per weighted ton of criteria emission reductions based on the ratio of TFCA funds awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particular matter 10 microns in diameter and smaller) over the Project life. Projects that propose renewable energy generation (new solar or wind generation) must not exceed a C-E limit of \$500,000 per weighted ton of criteria emission reductions. *The Air District will determine the estimated emission reductions and funding effectiveness of each project*.
- 13. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that achieve the same or better cost-effectiveness, comply with all Program Requirements, and are in compliance with all applicable Federal and State laws, and District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.
- 14. Facility Requirements: Each facility must:

- *A.* Be classified as either Destination or Transportation Corridor.
  - i) **Destination** sites include, but are not limited to remote destinations (e.g., golf course, rest areas, gas stations), popular destinations (e.g., lakes, beaches, amusement parks, restaurants), unique destinations (e.g. transit hubs). Additionally, projects must be located at least five miles driving distance away from the nearest existing publicly available DC fast charging station. Projects may be located within this five-mile distance if applicants demonstrate to the Air District's satisfaction that the nearest existing location is not sufficient to meet the demand for charging.
  - ii) Transportation Corridor sites are located within one-mile driving distance from the exit of a transportation corridor (e.g., heavy volume expressway, conventional highway, freeway). Additionally, projects must be located at least five miles driving distance away from the nearest existing publicly available DC Fast charging station. Projects may be located within this five-mile distance if applicants demonstrate to the Air District's satisfaction that the nearest existing location is not sufficient to meet the demand for charging.
- B. Be within the Air District's jurisdiction.
- C. Include one or two new CHAdeMO DC fast chargers, one or two new SAE Combo DC fast chargers, and one or more J1772 level 2 chargers (new or existing) at each facility. DC fast charging stations may be provided either as one unit with dual connectors or as two separate units with a single connector at the same funding award limit. *Note that if the level 2 charger is existing, that charger is not eligible for funding per Policies # 6 and 25.*
- 15. Charging Station Requirements: All charging stations must:
  - A. Deliver electricity at minimum rate of 40 kW for DC Fast charging stations, and 6.6 kW for Level 2 charging stations. Note: Dual-port Level 2 charging stations that are connected to two independent circuits and each port is capable of simultaneously delivering electricity at a rate of 6.6 kW can be considered as two separate charging stations.
  - B. Use an open communication protocol, if networked.
  - C. Be installed in a well-lit, secure area.
  - D. Be open and available for use by the general public 24 hours a day and 365 days a year.
  - E. Either be capable of accepting on-demand payment without requiring subscription or memberships, or be free to use. Note: Charging stations installed by public agencies must have the ability to collect fees for usage.
- 16. **Readiness**: All charging stations must be installed and operational within nine months from the date the funding agreement is executed. The following activities may be completed prior to the execution of the funding agreement:
  - A. Planning (drawings),
  - B. Obtaining permits,
  - C. Conducting environmental review,
  - D. Pre-wiring as part of new construction,
  - E. Obtaining cost quotes.
- 17. **Duplication:** Projects that have previously received TFCA Funds (including Regional Funds or County Program Manger Funds) or CEC funds and do not propose to achieve additional emissions reductions are not eligible. Additionally, projects that propose charging stations that serve only, or primarily, vehicles that were paid for by TFCA or CEC funds and therefore would not achieve additional emission reductions are also not eligible.
- 18. **Solar or Wind:** Projects that propose to install new zero-emission power generation, either by solar or wind, to offset the proposed charging station(s)' energy demand may qualify for additional funding. Pre-existing solar and wind installations do not qualify. Renewable energy credits (RECs) **cannot** be used to qualify for the higher funding limits.

#### MONITORING AND REPORTING

- 19. Monthly Interim Status Progress Reports: Project sponsors are required to monitor and submit monthly reports on their Project's status during the implementation phase.
- 20. **Operating Progress Reports**: Project sponsors are required to monitor and submit the first report after six months of operation data, and annually thereafter, during the Project Life.
- 21. **Case Study Participation:** Applicants who are awarded funding through this Program will be required to share charger usage data, attend roundtable discussions, and participate in case studies to share information and lessons learned regarding their Project. Data and usage statistics generated from this Program will be published in a paper to the CEC, which will be made publicly available.

#### FUNDING LIMITS, USE OF GRANT AND MATCH FUNDS, AND REIMBURSEMENT PROCESS

- 22. **Minimum Grant Amount:** \$10,000 per application (and completed project). The Air District reserves the right to terminate the funding agreement and cancel an award if a project sponsor reduces a Project's scope and the final amount that is eligible for reimbursement falls below the Minimum Grant Amount.
- 23. Maximum Grant Amount: \$250,000 per applicant.
- 24. Award Limits: The award amounts for each charger are limited to the amounts listed in Table 1, and the grant award for a project is limited to 75% of Eligible Project Costs incurred.
- 25. Eligible Project Cost: Only costs that are *directly related* to the installation of the approved charging station(s) and *incurred after the execution of the Project Funding Agreement* are eligible for reimbursement. The following costs are eligible for funding and may be considered as match funds:
  - A. Charging station hardware, including tax and shipping fees;
  - B. Labor, materials (e.g., trenching, wiring, and conduit), and necessary electrical upgrades to meet the demands of the charging stations (i.e., electrical panels and transformers);
  - C. Permit fees;
  - D. Hardware equipment separate from the charger used to record kWh dispensed from the equipment to PEVs (e.g., separate meter, data logger); and
  - E. Additionally, for projects that propose to incorporate a solar or wind power generation component:
    - i) Power generation and battery storage hardware, including tax and shipping fees;
    - ii) Labor and materials directly related to the installation of power generation and battery storage equipment.
- 26. **Ineligible Costs:** The following costs are neither eligible for reimbursement nor can be applied to fulfill matching fund requirements:
  - A. Costs of Planning Activities, including feasibility studies.
  - B. Costs incurred prior to the execution of a funding agreement.
  - C. Costs for Maintenance, Repairs, and Operations, including costs incurred from building or repaving parking areas, maintenance, repairs, rehabilitation, extended warranties or maintenance agreements, electricity use (utility), and operations (e.g., network fees).
  - D. Administrative Costs.
- 27. **Reimbursement Process:** Payment is made on a reimbursement basis after all Project equipment is placed into service and after all Project costs have been incurred and documented.
  - A. Up to 85% of the funds awarded will be reimbursed after the last Project charging station has been placed into service and after the Air District has received and approved final Monthly Interim Status Progress Report and final invoice for each Facility. The remaining 15% (the withheld amount) will be reimbursed after the Project Sponsor submits the first six months of operational data and after each of the funded chargers have dispensed an average of 5,000 kWh of electricity.

B. The award and reimbursable amount may be reduced (prorated) if the Project's usage requirements are not satisfied by the end of the Project Life or if the actual total Project cost is less than the estimated total Project cost.

#### **APPENDIX A: Insurance Guidelines**

This appendix provides guidance on the insurance coverage required at a minimum. The Project Sponsor must provide certificates and/or other evidence of the following insurance coverage:

- a) **Liability Insurance** with a limit of not less than \$1,000,000 per occurrence, of the type usual and customary to the business of the Project Sponsor, and to the operation of any portion of the Project operated by the Project Sponsor.
- b) **Property Insurance** in an amount of not less than the insurable value of Project Sponsor's equipment funded under the Agreement, and covering all risks of loss, damage or destruction of such vehicles, vessels, engines or equipment.
- c) Workers Compensation Insurance as required by California law and employers liability insurance with a limit not less than \$1 million.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.