

EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT

COUNTY OF EL DORADO

MEMORANDUM OF UNDERSTANDING #6907

This Memorandum of Understanding (“MOU”) is made and entered by and between the EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT, a county air pollution control district formed pursuant to California Health and Safety Code section 40100, et seq. (hereinafter referred to as “AQMD”); and **COUNTY OF EL DORADO** (hereinafter referred to as "County");

WITNESSETH:

WHEREAS, the federal Targeted Airshed Grant program assists local, state, and tribal air pollution control agencies with developing plans and conducting projects to reduce air pollution in nonattainment areas that the United States Environmental Protection Agency (“EPA”) determines are the top five most polluted areas relative to ozone, annual average fine particulate matter (PM2.5), or 24-hour PM2.5 National Ambient Air Quality Standards; and

WHEREAS, the overall goal of the Targeted Airshed Grant Program is to reduce air pollution in the nation’s areas with the highest levels of ozone and PM2.5 ambient air concentrations; and

WHEREAS, on June 23, 2021 the EPA approved Targeted Airshed Grant 98T10501 with the Sacramento Metropolitan Air Quality Management District (“SMAQMD”), in which AQMD is named an eligible subrecipient; and

WHEREAS, on March 16, 2022, AQMD and SMAQMD entered into Memorandum of Understanding 2021-00000054, which defined each party’s role in the performance and administration of the work approved by Targeted Airshed Grant 98T10501 (MOU TAG 1); and

WHEREAS, on June 16, 2022, the EPA approved a second Targeted Airshed Grant 98T36001 with SMAQMD, in which the AQMD was named an eligible subrecipient; and

WHEREAS, on September 15, 2022, AQMD and SMAQMD entered into Memorandum of Understanding 2022-00000038, which defined each party’s role in the performance and administration of the work approved by Targeted Airshed Grant 98T36001 (MOU TAG 2); and

WHEREAS, County has proposed a project that meets the eligibility criteria of the EPA Targeted Airshed Grant and that has been approved by AQMD and the Governing Board of AQMD for funding; and

WHEREAS, County represents that it is willing and able to perform the activities set forth herein.

NOW, THEREFORE, AQMD and County mutually agree as follows:

TERMS AND CONDITIONS

1.1 Purpose of MOU

The purpose of this MOU is to define the scope of the Project, amount of funding available, the Targeted Airshed Grant requirements that County must follow, and the reimbursement process for County.

1.2 Term of MOU

The term of this MOU will commence upon execution by all parties and terminate on July 30, 2027.

1.3 Total Compensation

A total of nine hundred eighty two thousand six hundred eighty three dollars and twenty five cents (\$982,683.25) in Targeted Airshed Grant funding is available for reimbursement to County for performance of eligible roadwork projects.

1.4 EPA TAG Terms and Conditions

The EPA Notices of Award dated June 23, 2021 and June 16, 2022 are attached as a portion of Exhibits B and C and incorporated herein. All applicable terms and conditions outlined in the Notices of Award are applicable to AQMD as the grant subrecipient, and to County as a funded agency.

1.5 SMAQMD MOU Terms and Conditions

MOU TAG 1 dated March 16, 2022 and MOU TAG 2 dated September 15, 2022, between SMAQMD and AQMD, are attached as Exhibits B and C and incorporated herein. All applicable terms and conditions outlined in MOU TAG 1 and MOU TAG 2 are applicable to AQMD as the grant subrecipient, and to County as a funded agency.

1.6 Scope of Project

A description of the Scope of Project for each party is outline in Exhibit A.

1.7 Termination

Either party may terminate this MOU for non-performance at any time by providing the other party written notice. AQMD, through its Air Pollution Control Officer ("APCO"), may terminate or amend this MOU without prior notice if advised by SMAQMD that EPA funds are no longer available for this MOU or any portion of the work outlined in the Scope of Services. If AQMD terminates or amends this MOU under this paragraph, AQMD must serve notice of the action on County within two (2) working days.

1.8 Communication

Any communication between the parties that is required under the provisions of the MOU must be in writing and be either: personally delivered; sent by prepaid certified first-class mail, return receipt requested; or sent by electronic mail (provided confirmation of delivery is confirmed via read receipt). Communications must be addressed to the parties as follows:

To El Dorado County AQMD	To County of El Dorado
Scott Wilson Air Quality Administrative Analyst El Dorado County AQMD 330 Fair Lane Placerville, CA 95667 Phone: (530) 621-7554 Email: scott.wilson@edcgov.us	Ashley Johnson Sr. Administrative Analyst El Dorado County DOT 2441 Headington Road Placerville, CA 95667 Phone: (530) 642-4925 Email: ashley.johnson@edcgov.us

1.8.1 Change of Mailing or Email Addresses: Either party may change the mailing and/or email addresses for service by giving 15 days advance written notice to the other party.

1.8.2 Effective Date: All notices will be effective upon receipt and will be deemed received:

- Upon delivery, if personally delivered.
- On the 5th day following deposit in the mail, if sent by certified mail.
- Upon the date stated in the email delivery confirmation, if sent by email.

1.9 Audit of Records

With regard to this MOU, both parties will maintain appropriate financial records and each party may demand access to these financial records to perform an audit. Both parties must make these records available to the requesting party within thirty (30) days after receiving a request for the records. Both parties must maintain records for five (5) years after the termination of the MOU.

1.10 Severability

If any provision of this MOU is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of this MOU, and this MOU will be construed and enforced as if such provision had not been included.

1.11 Waiver of MOU Provisions

Waiver by either of any default, breach or condition precedent will not be construed as waiver of any other default, breach or condition precedent or right under this MOU.

1.12 MOU Administrator

The **Air Quality Administrative Analyst** (or equivalent) is AQMD's named MOU Administrator for this MOU. It is the responsibility of the MOU Administrator to: 1) verify compliance with the terms and conditions of the MOU, 2) review and approve all invoices under this MOU, and 3) ensure that all required reports are submitted to SMAQMD for reporting to EPA. The APCO may designate a new MOU Administrator with written notice to County.

1.13 Alteration

No alteration or variation of the terms of this MOU is valid unless made in writing and signed by both parties.

1.14 Counterparts

This MOU may be executed in multiple counterparts, each of which will constitute an original, and all of which taken together will constitute one and the same instrument.

1.15 Successors

This MOU will bind the successors of AQMD and County in the same manner as if they were expressly named.

1.16 Entire Agreement

This MOU constitutes the entire understanding between AQMD and County in the same manner as if they were expressly named. This MOU includes the following documents, which are incorporated as though fully set forth herein:

- Exhibit A – Scope of Services
- Exhibit B – MOU 2021-000000054 between Sacramento Metropolitan Air Quality Management District and the El Dorado County Air Quality Management District – Dated March 16, 2022
- Exhibit C – MOU 2022-000000038 between Sacramento Metropolitan Air Quality Management District and the El Dorado County Air Quality Management District – Dated September 15, 2022

1.17 Authority to Bind

The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed as of the day and year first herein below written.

---EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT---

Dated: _____

By: _____
Dave Johnston
Air Pollution Control Officer

EL DORADO COUNTY DEPARTMENT OF TRANSPORTATION

Requesting Contract Administrator Concurrence:

By: _____ Dated: _____
Brian Mullens, Deputy Director, Maintenance and Operations

---COUNTY OF EL DORADO---

Dated: _____

By: _____
Chair
Board of Supervisors

ATTEST:
Kim Dawson
Clerk of the Board of Supervisors

By: _____ Dated: _____
Deputy Clerk

EXHIBIT A
SCOPE OF PROJECT

The scope of work for each party is described as follows:

County of El Dorado Responsibilities:

- 1) County of El Dorado, utilizing its Department of Transportation (“DOT”), shall double chip seal slurry approximately 49,911 linear feet of currently unpaved roads located within the Sacramento Federal Nonattainment Area for 2006 PM2.5 24-hour standard (“Project”). Project consists of the following roadway sections:

Road Name	Roadway Linear Feet	Roadway Square Feet	Grant Amount per sq. ft. of double chip seal slurry application	Total Grant Amount Available for double chip seal slurry application	Eligible Grant Period
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Bear Creek Rd.	4,590	146,361	\$0.80	\$117,088.80	4/15/2021 - 4/30/2026
Oriental St.	756	13,283	\$0.80	\$10,626.40	
Sand Ridge Rd.	19,048	334,540	\$0.80	\$267,632.00	

South St.	454	9,080	\$1.15	\$10,442.00	5/1/2022 – 4/30/2027
Luneman Rd.	194	3,880	\$1.15	\$4,462.00	
Mount Murphy Rd.	7,180	143,600	\$1.15	\$164,140.00	
Russel Hollow Rd.	3,485	69,603	\$1.15	\$80,043.45	
Tullis Mine Rd.	1,162	23,649	\$1.15	\$27,196.35	
Sweeney Rd.	13,042	260,915	\$1.15	\$300,052.25	

Targeted Airshed Grant funding shall only be available for the double chip seal slurry portion of the project.

- 2) Per requirements of EPA Grants 98T10501 and 98T36001, DOT shall prepare and submit to AQMD an engineering cross-section detailing the double chip seal slurry. This will be referenced during field inspections by AQMD staff and be submitted with progress reports to SMAQMD and EPA. Before and after photographs will be taken by DOT at the mile markers within the paving project areas. Figures of each road segment will be developed. The figures will show cross streets, landmarks and mile markers delineating road paving start and stop endpoints.

- 3) County of El Dorado shall administer the construction contract(s) as follows:
 - a. Bids for the construction of individual roadway segments of the Project will be solicited via a Request For Proposals (RFP) with the three contractors with current on-call agreements with DOT, following federal, state, and local agency public works guidelines.
 - b. The agreement to construct individual roadway segments of the Project will be awarded to the lowest responsive, responsible bidder based on the submissions from the RFP, when a Work Order is issued to the contractor.
 - c. Construction of the roadway segments of the Project will be administered by DOT staff to include construction engineering and oversight, inspection, construction staking/surveying, materials testing, and coordination with regulatory agencies for environmental compliance.
- 4) DOT shall acknowledge AQMD funding in all press releases, publicity packets, flyers, emails, advertisements and other marketing activities for the Project. Additionally, signage (if any) at the project site shall acknowledge AQMD funding.
- 5) DOT shall inform AQMD of paving projects completed in the calendar quarter (Jan-Mar / Apr-Jun / Jul-Sep / Oct-Dec) within 10 days of the quarter-end in order for AQMD to include this information on quarterly reports to SMAQMD. Information provided by DOT shall include the start/end point of completed construction for each road segment.
- 6) Progress reports shall be submitted by DOT to AQMD after the completion and closeout of an eligible roadway segment, and shall include:
 - a. Agreement number and reporting period.
 - b. Description of work completed, along with clear before and after photographs of the road work at the mile markers within the paving project area, and associated drawings/figures of each road segment as Detailed in Section 2.
 - c. Documentation of any marketing, outreach and education efforts including copies of announcements and fliers, and photos of project signage.
 - d. Payment request, itemization of expenditures and supporting documentation.

El Dorado Air Quality Management District Responsibilities:

- 1) AQMD shall review progress reports submitted by DOT in a timely manner. DOT shall submit grant invoices to SMAQMD within fifteen (15) calendar days of the end of each calendar quarter for which all documentation required for reimbursement of road paving expenses is received from DOT.
- 2) When reimbursements are received from SMAQMD, AQMD shall transfer approved Targeted Airshed Grant reimbursement funds for eligible road paving projects to County utilizing a journal entry submitted to the El Dorado County Auditor/Controller's (EDC Auditor) office. This transfer shall be submitted to the EDC Auditor within thirty (30) days of AQMD's receipt of approved funds.
- 3) AQMD shall prepare and submit all subrecipient reports to SMAQMD on behalf of projects performed by AQMD and DOT utilizing Targeted Airshed Grant funds.

EXHIBIT B

EDC CONTRACT #6226
MOU No. 2021-00000054

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT EL DORADO AIR QUALITY MANAGEMENT DISTRICT MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is between **Sacramento Metropolitan Air Quality Management District (Sac Metro Air District)**, a California local public agency and **El Dorado Air Quality Management District (El Dorado AQMD)**.

1.0 Recitals

- 1.1 The United States Environmental Protection Agency (EPA) provides financial assistance to local air districts under the Targeted Airshed Grant (TAG) Program. The overall goal of the TAG Program is to fund emission reduction activities to reduce air pollution in nonattainment areas with the highest levels of ozone and PM 2.5 ambient air concentrations in the United States. The EPA identified Sacramento, California as one of the nonattainment areas eligible for this funding. The Sacramento Federal Ozone Nonattainment Area (SFNA) is comprised of all of Sacramento and Yolo counties, and parts of Solano, Sutter, El Dorado and Placer counties.
- 1.2 On June 23, 2021, the EPA awarded \$2,742,540 of TAG funds to the Sac Metro Air District as the recipient of the five-year grant for the SFNA. The project period is from April 15, 2021 to April 30, 2026. Pre-award costs are approved beginning April 15, 2021. The Grant Number (FAIN) for this award is 98T10501 and the CFDA number is 66.956 - Targeted Airshed Grant Program. The grant is awarded under the regulatory authority of 2 CFR 200, 2 CFR 1500 and 40 CFR 33.
- 1.3 El Dorado AQMD, Placer County Air Pollution Control District (Placer County APCD), and Yolo-Solano Air Quality Management District (Yolo-Solano AQMD) are not eligible to receive the TAG funding directly from the EPA and require an approved agency to receive the monies from the EPA and administer the disbursement of the funds as a pass-through. The Sac Metro Air District will serve as the TAG recipient and El Dorado AQMD and Yolo-Solano AQMD will be subrecipients of the grant. El Dorado AQMD will administer the project on behalf of Placer County APCD and will request reimbursement from Sac Metro Air District for the applicable Placer County APCD supply and advertising costs related to the TAG project.
- 1.4 The TAG project includes two PM 2.5 reducing components to be implemented in the El Dorado, Placer, and Yolo-Solano communities within the SFNA. Those components and the anticipated accomplishments are:
 - Woodstove Replacement: Replace 1,800 (+/-) residential non-certified wood-burning appliances with cleaner-burning devices
 - Unpaved Road Paving: Pave 4.7 miles of unpaved roadways
- 1.5 On January 27, 2022, the Sac Metro Air District Board of Directors passed a motion to authorize the Air Pollution Control Officer (APCO) to execute MOUs with El Dorado AQMD and Yolo-Solano AQMD for the Sac Metro Air District to provide the administrative function for the TAG funds and for the pass-through of TAG funds to the sub-recipients.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, Sac Metro Air District and El Dorado AQMD agree as follows:

2.0 Terms and Conditions

2.1 Purpose of MOU

The purpose of this MOU is to set forth the expectation of El Dorado AQMD and Sac Metro Air District regarding Sac Metro Air District's role as the recipient/administrator for federal funds passed through to El Dorado AQMD under the EPA TAG Program. El Dorado AQMD is the subrecipient of the TAG funds.

2.2 Term of MOU

The term of this MOU will commence on **upon full execution** and terminates **August 29, 2026**.

2.3 Scope of Services

A description of the Scope of Services for each party is outlined in Exhibit A.

2.4 EPA TAG Terms and Conditions

The EPA Notice of Award dated 6/30/2021 is attached as Exhibit B and incorporated herein. All terms and conditions outlined in the Notice of Award are applicable to Sac Metro Air District as the grant recipient and El Dorado AQMD as the grant subrecipient.

2.5 Indemnification

- A. Sac Metro Air District will indemnify and defend El Dorado AQMD, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of Sac Metro Air District in the performance of its obligations under this MOU.
- B. El Dorado AQMD will indemnify and defend Sac Metro Air District, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of El Dorado AQMD in the performance of its obligations under this MOU.

2.6 Termination

Either party may terminate this MOU at any time by providing the other party written notice. District, through its APCO, may terminate or amend this Contract without prior notice if advised that EPA funds are not available for this Contract or any portion of this Contract. If District terminates or amends this Contract under this paragraph, District must serve notice of the action on El Dorado AQMD within two (2) working days.

2.7 Communication

Any communication between the parties that is required under the provisions of this MOU must be in writing, and be either: (i) personally delivered, (ii) sent by prepaid, certified first class mail, return receipt requested, or (iii) sent by electronic mail (provided confirmation of delivery is confirmed via read receipt). Communications must be addressed to the parties as follows:

To El Dorado AQMD	To Sac Metro Air District
Scott Wilson Air Quality Administrative Analyst El Dorado Air Quality Management District 330 Fair Lane Placerville, CA 95667 Phone (530) 621-7554 Email: scott.wilson@edcgov.us	Mark Loutzenhiser Program Coordination Division Manager Sacramento Metropolitan Air Quality Management District 777 12 th Street, Ste. 300 Sacramento, CA 95814 Phone (916) 261-6414 Email: MLoutzenhiser@airquality.org

- A. **Change of Mailing or Email Addresses:** Either party may change the mailing and/or email addresses for service by giving 15 days advance written notice to the other party.
 - B. **Effective Date:** All notices will be effective upon receipt and will be deemed received (i) upon delivery, if personally delivered, (ii) on the 5th day following deposit in the mail, if sent by certified mail, or (iii) upon the date stated in the email delivery confirmation, if sent by email.
- 2.8 **Audit of Records**
 With regard to this MOU, both parties will maintain appropriate financial records and each party may demand access to these financial records to perform an audit. Both parties must make these records available to the requesting party within thirty (30) days after receiving a request for the records. Both parties must maintain records for five (5) years after the termination of the MOU.
- 2.9 **Severability**
 If any provision of this MOU is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of this MOU, and this MOU will be construed and enforced as if such provision had not been included.
- 2.10 **Payments that Contravene the Law**
 Sac Metro Air District has no liability for payment of any expenses that are found to contravene law. El Dorado AQMD will reimburse Sac Metro Air District for any funds paid by it under this MOU that are later determined to contravene federal, state or local laws and regulation.
- 2.11 **Waiver of MOU Provisions**
 Waiver by either of any default, breach or condition precedent will not be construed as waiver of any other default, breach or condition precedent or right under this MOU.
- 2.12 **MOU Manager**
 The **Program Coordination Division Manager** is Sac Metro Air District’s named Contract Manager for this MOU. It is the responsibility of the Contract Manager to: 1) verify compliance with the terms and conditions of the MOU, 2) review and approve all invoices under this MOU, and 3) ensure that all required reports are submitted to EPA. The APCO may designate a new Contract Manager.
- 2.13 **Alteration**
 No alteration or variation of the terms of this MOU is valid unless made in writing and signed by both parties.

2.14 **Counterparts**

This MOU may be executed in multiple counterparts, each of which will constitute an original, and all of which taken together will constitute one and the same instrument. Signatures transmitted via facsimile or portable document format (pdf) to other parties to this MOU will be deemed equivalent to original signatures on counterparts.

2.15 **Successors**

This MOU will bind the successors of Sac Metro Air District and El Dorado AQMD in the same manner as if they were expressly named.

2.16 **Entire Agreement**

This MOU constitutes the entire understanding between Sac Metro Air District and El Dorado AQMD in the same manner as if they were expressly named. This MOU includes the following documents, which are incorporated as though fully set forth herein:

- Exhibit A – Scope of Services
- Exhibit B – EPA TAG Notice of Award No. 98T10501

2.17 **Authority to Bind**

The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

Executed by:

**Sacramento Metropolitan Air Quality
Management District**



Alberto Ayala, Ph.D., M.S.E.
Executive Director/APCO

Date: 3/16/22

El Dorado Air Quality Management District



Dave Johnston
Air Pollution Control Officer

Date: 3/10/22

Reviewed by:



Kathrine Pittard
District Counsel

Exhibit A Scope of Services

The scope of work for each party is described as follows:

Fiscal Agent: The Sac Metro Air District is the grant recipient/fiscal agent for the EPA TAG for the project period. The EPA project period is from April 15, 2021, to April 30, 2026.

Subrecipient: El Dorado AQMD is a sub-recipient of the TAG.

Award Amount: The grant provides federal funding of \$2,742,540 for the five-year grant term per the budget summary outlined on page 3 in the Notice of Award (Exhibit B).

Sac Metro Air District Responsibilities

1. Invoicing:

- A. **Invoice Review** – Sac Metro Air District will review and approve all qualified El Dorado AQMD invoices within 30 days of the submission of a complete invoice package. Invoices will be submitted quarterly by the 15th day of the calendar month following fiscal quarter-end (i.e., October 15th for the fiscal quarter ended September 30th). A complete invoice package includes the El Dorado AQMD invoice and all documents to support the invoiced amounts, as required per the Terms and Conditions section of the Notice of Award (Exhibit B). Sac Metro Air District will approve for payment all reasonable and supported expenses. Any items not resolved or supported in a given invoice will not be paid at that time. Once resolved these items may be included in future invoices.
- B. **Invoice Payment** – Sac Metro Air District will pay approved El Dorado AQMD invoices within 30 days of approval. Payments will be made by Electronic Fund Transfer. Details of the payment process are as follows:

Once the invoice is approved, Sac Metro Air District will request reimbursement from the EPA for the requested amount. When the funds are received by the Sac Metro Air District (generally within five (5) business days of the request), the Sac Metro Air District will process payment to El Dorado AQMD via the regular payment process of the Sac Metro Air District. If funds are not available from the EPA on the grant to the Sac Metro Air District, payment will not be made to the El Dorado AQMD.

- C. **Allowable Costs** – Sac Metro Air District and El Dorado AQMD will follow 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award costs. Under this guidance, costs must be necessary and reasonable for the performance of the award and be allocable. Only allowable costs will be approved for reimbursement.

2. Reporting:

- A. **EPA Reporting** – Sac Metro Air District will submit the following reports to the EPA:
 - i. **Quarterly Reporting:**

Submit the required reporting template to the EPA based on data contained in the quarterly reports received from El Dorado AQMD. Sac Metro Air District will submit the EPA reports according to the following schedule:

- October 1 - December 31, Reporting Period: Report due January 31.
- January 1 - March 31, Reporting Period: Report due April 30.
- April 1 - June 30, Reporting Period: Report due July 31.
- July 1 - September 30, Reporting Period: Report due October 31.

ii. Final Reporting:

Sac Metro Air District will submit the final performance report to the EPA within 120 days after the project period end date or termination of the EPA assistance agreement. The report will be based on the data submitted in the final performance report from El Dorado AQMD.

- B. Schedule of Expenditures of Federal Awards (SEFA) Reporting – Sac Metro Air District will assist El Dorado AQMD and the El Dorado County Auditor-Controller with SEFA reporting as required by the EPA and external Certified Public Accountants (CPA).
3. **Subrecipient Monitoring:** Sac Metro Air District will comply with all provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward policy in monitoring El Dorado AQMD as a sub-recipient of the TAG funds. This will include an annual meeting with El Dorado AQMD to perform monitoring requirements.

El Dorado AQMD's Responsibilities

1. Invoicing:

- A. Basis of Invoiced Expenses - Amounts will be invoiced on a reimbursement basis (i.e., expenditures made before the request for reimbursement).
- B. Invoice Submission– Submit grant invoices with all required supporting documentation for eligible expenses within 15 calendar days of the end of each fiscal quarter for which reimbursement of expenses is being sought. The El Dorado AQMD invoice will include complete supporting documentation.
- C. Invoice Format – The invoice package will be submitted electronically to the Sac Metro Air District SharePoint link. El Dorado AQMD will e-mail the Sac Metro Air District Controller and/or their designee notifying Sac Metro Air District when an invoice is submitted/sent.
- D. Invoice Information Requests – El Dorado AQMD will respond to Sac Metro Air District requests for information to support quarterly invoices on a timely basis, not to exceed 10 business days.
- E. Invoice Award Limit – Invoices will be submitted in a total amount not to exceed the EPA grant award identified in the TAG Notice of Award (Exhibit B).
- F. Timing of Expenses - Expenditures submitted for reimbursement must occur within the term of the TAG project.
- G. Allowable Costs – El Dorado AQMD will follow 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award costs. Under this guidance, costs must be necessary and reasonable for the performance of the award and be allocable. El Dorado AQMD will only submit allowable costs for reimbursement.

2. **Reporting:**

- A. **EPA Reporting** – El Dorado AQMD will follow all reporting requirements as outlined in the TAG Notice of Award (Exhibit B) for Quarterly and Final Reports, including:
- i. **Quarterly Reporting:**
El Dorado AQMD will provide quarterly reporting to Sac Metro Air District by the 15th calendar day of the month following fiscal quarter-end. The template to be completed will be provided by the EPA. El Dorado AQMD will submit the EPA reports according to the following schedule:
 - October 1 - December 31, Reporting Period: Report due January 15.
 - January 1 - March 31, Reporting Period: Report due April 15
 - April 1 - June 30, Reporting Period: Report due July 15.
 - July 1 - September 30, Reporting Period: Report due October 15.
 - ii. **Final Reporting**
El Dorado AQMD will submit the final performance report to the Sac Metro Air District within 90 days after the project period end date or termination of the EPA assistance agreement.
3. **Audited financial statements:** In conjunction with the El Dorado County Auditor-Controller, provide to the Sac Metro Air District the audited annual financial statements 60 days after financial statements are issued by the external CPA.
 4. **Annual Budget:** Provide to the Sac Metro Air District the annual budget for the EPA TAG funding within 60 days after Board approval.
 5. **Response to Audit Requests:** In conjunction with the El Dorado County Auditor-Controller, provide a timely response in not more than 10 business days to requests from the Sac Metro Air District for documents to support audit requests for documents not previously provided (i.e., EPA audits, external CPA audits, etc.).
 6. **SEFA Reporting:** In conjunction with the El Dorado County Auditor-Controller, assist the Sac Metro Air District with SEFA reporting as required by the EPA and external CPAs.
 7. **Subrecipient Monitoring:** As a subrecipient of the TAG funds, El Dorado AQMD will meet annually, at a minimum, with Sac Metro Air District finance staff to comply with EPA sub-recipient monitoring requirements and review grant performance.

**Exhibit B
EPA TAG Notice of Award
Grant #98T10501**

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 <p align="center">U.S. ENVIRONMENTAL PROTECTION AGENCY</p> <p align="center">Cooperative Agreement</p>	GRANT NUMBER (FAIN): 98T10501 MODIFICATION NUMBER: 0 PROGRAM CODE: TA		DATE OF AWARD 06/23/2021
	TYPE OF ACTION New		MAILING DATE 06/30/2021
	PAYMENT METHOD: ACH		ACH# 90390
	RECIPIENT TYPE: Special District		
RECIPIENT: Sacramento Metropolitan AQMD 777 12th Street, 3rd Floor Sacramento, CA 95814 EIN: 68-0382186		PAYEE: Sacramento Metropolitan AQMD 777 12th Street, 3rd Floor Sacramento, CA 95814	
PROJECT MANAGER Mark Loutzenhiser 777 12th Street 3rd Floor Sacramento, CA 95814-1908 E-Mail: mloutzenhiser@airquality.org Phone: 916-874-4872		EPA PROJECT OFFICER Angela Latigue 75 Hawthorne Street, AIR-1-1 San Francisco, CA 94105 E-Mail: latigue.angela@epa.gov Phone: 415-947-4170	
EPA GRANT SPECIALIST Fareed Ali Grants Management Branch, MSD-6 E-Mail: ali.fareed@epa.gov Phone: 415-972-3665			
PROJECT TITLE AND DESCRIPTION Targeted Air Shed - Community Air Shed Project Sacramento Metropolitan Air Quality Management District (SMAQMD) will coordinate and reduce ambient PM 2.5 air concentrations in the Sacramento nonattainment areas along with the El Dorado Air Quality Management District (EDCAQMD), Placer County Air Pollution Control District (PCAPCD) and Yolo Solano Air Quality Management District (YSAQMD) by replacing residential non-certified wood burning appliances and paving miles of unpaved roadways. This assistance agreement provides federal funding in the amount of \$2,742,540. Preaward costs are approved back to April 15, 2021.			
BUDGET PERIOD 04/15/2021 - 04/30/2026	PROJECT PERIOD 04/15/2021 - 04/30/2026	TOTAL BUDGET PERIOD COST \$8,040,944.00	TOTAL PROJECT PERIOD COST \$8,040,944.00
<h3>NOTICE OF AWARD</h3> <p>Based on your Application dated 04/10/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$2,742,540.00. EPA agrees to cost-share 34.11% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,742,540.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS EPA R9, Air and Radiation Division, AIR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer			DATE 06/23/2021

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$2,742,540	\$2,742,540
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$5,298,404	\$5,298,404
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$8,040,944	\$8,040,944

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.956 - Targeted Airshed Grant Program	2020 Further Consolidated Appropriations Act (PL 116-94)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2109M9S011	20	E4	09M2	000AJ9	4193	-	-	\$2,742,540
									\$2,742,540

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$223,993
2. Fringe Benefits	\$50,328
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$2,797
6. Contractual	\$0
7. Construction	\$0
8. Other	\$7,763,826
9. Total Direct Charges	\$8,040,944
10. Indirect Costs: 0.00 % Base :	\$0
11. Total (Share: Recipient <u>65.89</u> % Federal <u>34.11</u> %)	\$8,040,944
12. Total Approved Assistance Amount	\$2,742,540
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$2,742,540
15. Total EPA Amount Awarded To Date	\$2,742,540

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-november-12-2020-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **June 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **September 30** of the same calendar year. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance 2 CFR Part 200.324 the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. Indirect Costs

The Cost Principles under 2 CFR Part 200, Subpart E apply to this award. Since there are no indirect costs included in the assistance budget, they are not allowable under this Assistance Agreement.

Programmatic Conditions

Programmatic Terms and Conditions "a" thru "m" below apply.

a. Workplan and Budget Revisions

The recipient is expected to carry out the tasks and activities in the approved workplan. The recipient shall consult the U.S. Environmental Protection Agency (EPA) Project Officer (PO) regarding whether a proposed budget or workplan activity revision constitutes a significant change in the scope or the objective of the project or program. The recipient may not make significant changes to the proposed activities in the EPA-approved workplan or budget without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If issues arise regarding workplan activities (including technology compatibility issues) that cannot be resolved, EPA may elect to terminate the cooperative agreement following the procedural requirements of 2 CFR Parts 200 and 1500, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

b. Substantial Federal Involvement for Cooperative Agreements

EPA will be substantially involved in overseeing this cooperative agreement, which may include, but is not limited to programmatic oversight and monitoring, reviewing project phases, approving substantive terms included in professional services contracts (EPA will not direct or recommend that the recipient enter into a contract with a particular entity), and EPA collaboration regarding scope of work and mode of operation.

c. Quarterly Performance Reporting and Final Performance Report

c.1. Quarterly Reports – Content

The recipient must submit quarterly performance reports that address the progress made to achieve the workplan commitments. The recipient must include summary information on technical progress and expenditures, and planned activities for next quarter.

In accordance with 2 CFR §200.328, the recipient agrees to submit performance reports that include brief information on each of the following areas:

- a. a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period;
- b. the reasons why established outputs/outcomes were not met; and
- c. additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

A suggested template for the quarterly reports will be provided by the PO. Additionally, the recipient agrees to inform the PO as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan arise.

For replacement projects, each quarterly report must include the total number of scrapped and replaced, replaced-only, and/or repaired devices. As applicable, the recipient will include technical progress of other activities beyond scrapping, replacement, and/or repair activities, which may include heat-conserving weatherization activities, a seasoned dry firewood program, a wood shed program, education and outreach efforts, enforcement and monitoring, a residential yard waste collection program, deploying air cleaning devices, deploying infrared cameras, siting highway messaging signs, deploying air sensors, and/or deploying air monitoring system(s).

For road paving projects, each quarterly report must include:

- a. a detailed list of each road and/or alley segment that will be improved (with pavement);
- b. specific location identifiers, such as cross-streets; and
- c. the start/end point of each road/alley segment.

For each paved road segment, the performance report must include clear photographs of the area both before and after the road is paved, or as outlined in the recipient's approved workplan.

c.2. Final Report – Content

The recipient must submit the final performance report to the PO within 120 days after the project period end date or termination of the assistance agreement. A suggested template for the final report, similar to the quarterly report template, will be provided by the PO. As applicable, the total number of removed and/or scrapped devices, the total number of repaired devices, and the total number of new funded devices must be included in the final performance report, as applicable. The final performance report must include the following:

- a. A narrative summary of the project or activity.
- b. Project results (outputs and outcomes) as reflected in the final, approved workplan, which must include but are not limited to the following:
 - i. For demonstration projects, testing processes and results, and/or the performance of the device(s) must be provided.
 - ii. Final estimated air emissions benefit calculations for all the activities undertaken by the recipient. Estimated emissions benefits may include pollutants (e.g., PM2.5 and NOx) that affect the nonattainment status of the area where the project is located. The final estimated emission benefit calculations must be based on the actual number and type of funded devices as included in the workplan. The recipient must include the methodologies and a detailed explanation of how these estimated values were derived, as well as any assumptions or default values used for the purposes of emissions benefit calculations.
- c. Required documentation, as listed in Section II.A.3. [\[MT1\]](#) below.
- d. A description of how the project or activities contributed towards compliance with the State Implementation Plan and/or National Ambient Air Quality Standards.
- e. A discussion of the problems, successes, and lessons learned – including feedback received from project participants (e.g., program beneficiaries, members of the public, subrecipients, contractors, etc.) – for the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.
- f. If any cost-share or leveraged funds were reported, the recipient must identify the source of funds.
- g. If any program income was generated, the recipient must identify the amount of program income, how it was

generated, and how the program income was used, as described in the Program Income section below.

- h. To the extent possible, qualitative estimated health benefits achieved, which can be measured by the type of illnesses prevented, avoided health care costs, missed work/school days avoided or reduced mortality from air pollution.

c.3. Quarterly Reports – Due Dates

Quarterly reports are due according to the following schedule, or an alternative schedule with prior approval by the PO:

- October 1 - December 31; Reporting Period: report due January 31;
- January 1 - March 31; Reporting Period: report due April 30;
- April 1 - June 30; Reporting Period: report due July 31; and
- July 1 - September 30; Reporting Period: report due October 31.

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

c.4. Final Report – Due Date

The recipient must submit the final performance report to the PO within 120 days after the project period end date or termination of the assistance agreement.

c.5. Subaward Reporting Requirement for Quarterly and Final Reports

A subaward means an award provided by the recipient to a subrecipient for the subrecipient to carry out part of this Targeted Airshed Grant project. It does not include payments to contractors or payments to program beneficiaries receiving participant support costs. The recipient must comply with applicable provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward Policy, which may be found at: epa.gov/grants/epa-subaward-policy. The recipient must report on its subaward monitoring activities under 2 CFR §200.331(d). Examples of items that must be reported:

C.5.1. Summaries of results of reviews of financial and programmatic reports.

C.5.2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.

C.5.3. Environmental results the subrecipient achieved.

C.5.4. Summaries of audit findings and related pass-through entity management decisions.

C.5.5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR §200.207, 2 CFR §200.331(e), and 2 CFR §200.338 Remedies for Noncompliance.

d. Cybersecurity Grant Conditions for Recipients

d.1. State Grant Cybersecurity

The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

d.1.1. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency Information Technology (IT) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the PO and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

d.1.2. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in D.1.1. [\[MT2\]](#) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR §200.331(d), by inquiring whether the subrecipient has contacted the PO. Nothing in this condition requires the recipient to contact the PO on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

e. Delays or Favorable Developments

The recipient agrees that it will promptly notify the PO of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the workplan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also notify the PO of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

f. Procurement Procedures

The recipient must follow applicable procurement procedures. EPA will not be a party to these transactions. For State recipients, if EPA funds are used to purchase goods or services, the State recipient agrees to comply with 2 CFR §200.317, *Procurement by states*; 2 CFR §§1500.9-10, *General procurement standards*; and 40 CFR Part 33, *Disadvantaged Business Enterprises Rule*.

All other non-State recipients must comply with the procurement under grants standards of 2 CFR §§200.318 – 326, 2 CFR §§1500.9-10, and 40 CFR Part 33 including conducting procurement transactions in a manner providing full and open competition as set forth in the applicable regulations. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, and conduct cost and price analyses. In addition, a subaward cannot be used if the transaction falls within the category of a procurement.

g. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at epa.gov/fem/lab_comp.htm or a copy may also be requested by contacting the PO for this award.

h. Public or Media Events

The recipient agrees to notify the PO listed in this award document of a press release and public or media events publicizing the accomplishment of significant events related to projects resulting from this agreement and provide the opportunity for review of a press release or attendance and participation by federal representatives with at least fifteen working days' notice.

i. Program Income

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of this award during the period of performance. In accordance with 2 CFR §1500.7(b), the default use of program income generated under this award is the addition method. If the recipient prefers to use the deduction method (program income is deducted from the total allowable costs to determine the net allowable costs) or use program income to meet the voluntary cost share requirement, recipient must obtain prior approval from EPA.

j. Leveraging

The recipient agrees to provide the proposed leveraged funding described in its proposal/workplan. If the proposed leveraging does not materialize during the period of award performance, the Agency may consider this factor in evaluating future applications from the recipient. In addition, if the proposed leveraging does not materialize during the period of award performance EPA may reconsider the legitimacy of the award. In addition, if EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the leveraged funding the recipient described in its final approved workplan, EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

k. Voluntary Cost-Share

This award and the resulting federal funding of **\$2,742,540** is based on estimated costs requested in the recipient's final approved workplan. Included in these costs is a voluntary cost-share contribution of **\$5,298,404** by the recipient in the form of a voluntary cost-share that the recipient included in its final approved workplan. The recipient must provide this voluntary cost-share contribution during performance of this award. While actual total costs may differ from the estimates in the recipient's application, EPA's participation shall not exceed the total amount of federal funds awarded.

If the recipient fails to provide the voluntary cost-share contribution during the period of award performance, the Agency may consider this factor in evaluating future applications from the recipient. In addition, if the voluntary cost-share contribution does not materialize during the period of award performance then EPA may reconsider the legitimacy of the award (e.g., EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180).

I. Participant Support Costs/Rebates

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Program beneficiaries cannot be a contractor, subrecipient, or employee of recipient. Participant support costs are not subawards as defined by 2 CFR §200.92 and §200.93 and should not be treated as such. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement.

- Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to *Interim EPA Guidance on Participant Support Costs*: www.epa.gov/sites/production/files/2018-09/documents/interim_guidance_on_participant_support_costs.pdf.
- Recipient must maintain source documentation regarding program support funds to ensure proper accounting of EPA funds.
- Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:
 - Describe the activities that will be supported by rebates, stipends, subsidies or other payments;
 - Specify the amount of the rebate, subsidy, stipend, or other payment;
 - Identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment; and
 - Specify any reporting required by the program beneficiary and the length of time for such reporting.
- Recipient must obtain the prior written approval from EPA's Award Official if it wants to provide participant support costs that were not described in the approved workplan and budget. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.
- Recipient must obtain prior written approval from EPA's Award Official if recipient wants to modify the amount approved (upwards or downwards) for participant support costs. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.

m. ACTIVITY-SPECIFIC AND PROJECT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS

These Specific Programmatic Terms and Conditions apply to assistance agreements that fund replacement-only, repair, and scrappage and replacement project(s). Replacement-only and scrappage and replacement projects include any project

to replace a higher-polluting vehicle, engine, equipment, device, or appliance with a cleaner, lower-polluting vehicle, engine, equipment, device or appliance (referred throughout this document as a “device”). Scrappage and replacement projects may only include scrapping a higher-polluting device and replacing a cleaner device. Replacement-only projects may only include removing a higher-polluting device from the nonattainment area as listed in the EPA approved workplan and replacing it with a cleaner device. Scrappage and replacement projects may only include scrapping a higher-polluting device and not include replacing a cleaner device. Repair projects may only include repairing a higher-polluting device and not scrapping or replacing it with a cleaner device. These devices may operate in, but are not limited to, the following applications: mobile on- and nonroad vehicles, engines or equipment, including lawn and garden equipment; or devices providing heat (i.e., woodstoves, fireplaces, heat pumps, coal or pellet stoves, etc.).

aa.1. Devices Providing Heat

For those assistance agreements that include scrappage and/or replacement activities for devices that provide heat, the recipient agrees that funds under this award will be used to repair, replace, or remove inefficient, higher-polluting devices. Consistent with the recipient’s approved workplan, the recipient will repair devices to make them more efficient and less polluting or replace devices with cleaner, lower-polluting, more efficient devices. Inefficient, higher-polluting devices include, but are not limited to wood stoves, wood burning devices, open-hearth fireplaces, coal stoves, pellet stoves, wood fueled hydronic heaters, pellet fueled hydronic heaters, masonry heaters and any other devices listed in the EPA-approved workplan. Cleaner, lower-polluting, more efficient devices include but are not limited to EPA-certified wood-burning devices, EPA-certified pellet devices, certified masonry heaters, oil devices, ENERGY STAR-certified electric devices (such as heat pumps), propane heaters, and natural gas devices and geo-thermal. The recipient agrees that cleaner, less polluting certified wood or pellet devices other than masonry heaters must be identified on the current list of EPA Certified Wood Heaters (see www.epa.gov/compliance/epa-certified-wood-heater-database) to be eligible for replacement. Masonry heaters must be included in either the approved list by the state of Colorado (see www.colorado.gov/pacific/cdphe/approved-indoor-burning-devices) or the state of Washington (see www.ecology.wa.gov/Air-Climate/Air-quality/Smoke-fire/wood-stove-info.)

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded cleaner, lower-polluting replacement devices providing heat, the recipient must ensure that the subrecipient or contractor:

train the program beneficiaries on how to properly operate the cleaner, lower-polluting replacement devices; and

ensure the program beneficiaries agree not to give away or sell the EPA-funded device during the life of the project.

These requirements must be clearly set forth in the written subaward agreement or contract.

The recipient agrees not to repair, replace, or retrofit any heating device that was previously purchased with Federal funds since January 2015, regardless of the type of device and amount of emissions that may be reduced.

The recipient may not make significant changes to the proposed activities in the EPA-approved workplan

unless with prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, following the procedural requirements of 2 CFR Parts 200 and 1500, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

aa.2. Device Expansion

The recipient agrees that funds cannot be used for the purchase of devices without rendering the inefficient, higher-polluting device inoperable, as consistent with the EPA-approved workplan. Every inefficient, higher-polluting device must be fully operational and in service at time of replacement, unless described otherwise in the EPA-approved workplan. The recipient agrees that the cleaner, lower-polluting replacement device:

- a. will continue to operate in a similar manner and perform a similar function as the device that is being permanently rendered inoperable;
- b. will achieve the estimated emission reductions included in the EPA-approved workplan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved workplan.

aa.3. Rendering Inoperable and Required Documentation

To ensure the estimated air emissions reductions included in the workplan are achieved and permanent, the recipient agrees that every inefficient, higher-polluting device will be permanently removed from the recipient's respective air pollution nonattainment area(s), destroyed and rendered inoperable. Inefficient, higher-polluting devices include any device removed from service under this assistance agreement that will be replaced with a cleaner device.

Under this permanent destruction process, the recipient shall take every device to an approved licensed dismantler/recycler or the recipient will follow the process described in the EPA-approved workplan. The recipient must deliver the inefficient, higher-polluting device to the licensed dismantler/recycler within 90 days of removing the inefficient, higher-polluting device from service, or as consistent with the EPA-approved workplan. Other acceptable scrappage methods may be considered but will require prior written approval from the EPA PO. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

The recipient must provide documentation on removing each inefficient, higher-polluting device from the nonattainment area(s). If the recipient issues a subaward, participant support cost or contract, the recipient must require this/these entity/entities provide such documentation to the recipient. The recipient is responsible for retaining all documentation for:

- a. Each inefficient, higher-polluting device removed from the nonattainment area(s); and
- b. Each cleaner, lower-polluting replacement device as listed in the recipient's workplan.

For each higher-polluting device removed from service, the recipient must:

1. Document that the inefficient, higher-polluting device is fully operational and in service prior to replacement, as described in the Device Expansion section above, or as consistent with the EPA-approved workplan. Acceptable documentation may include clear photographs of the installed and operating device prior to removal.
2. After dismantling/recycling, obtain and retain a receipt from the dismantler/recycler, or other approved documented proof of rendering the applicable device inoperable.
3. After installation, document the installation of the new device.

In accordance with 2 CFR §200.333, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the cooperative agreement award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.336, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers, or records of the recipient which are pertinent to the cooperative agreement award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the inefficient, higher-polluting device(s) components are to be sold, the recipient must comply with the program income requirements (see the Program Income section I above).

aa.4. Location

The recipient agrees that the EPA-funded project will be located in the recipients' respective air pollution nonattainment are(a) as indicated in the recipient's workplan and carried out in the nonattainment are(s) for the life of the project. The funded cleaner, lower-polluting, more efficient devices may not operate outside of the nonattainment area(s) for the life of the project.

bb. Road Paving

bb.1. Required Documentation

In accordance with 2 CFR §200.333, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the grant award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings

have been resolved and final action has been taken. In accordance with 2 CFR §200.336, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded road paving activities, the recipient must ensure that the subrecipient or contractor ensure the program beneficiaries agree not to give away or sell any EPA-funded devices during the life of this project. This requirement should be clearly set forth in the written subaward agreement or contract.

If any purchased equipment or its components are to be sold, the recipient must comply with the program income requirements (see the Program Income section above).

bb.2. Location

The recipient agrees that the funded project will be located in the recipient's respective air pollution non-attainment area(s) as indicated in the recipient's workplan. The recipient agrees that the project or activity will be carried out in the non-attainment area(s) and other locations as described in the recipient's workplan for the life of the project.

**** END OF ASSISTANCE AGREEMENT ****

**SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT
EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is between **Sacramento Metropolitan Air Quality Management District (Sac Metro Air District)**, a California local public agency, and **El Dorado County Air Quality Management District (El Dorado AQMD)**.

1.0 Recitals

- 1.1 The United States Environmental Protection Agency (EPA) provides financial assistance to local air districts under the Targeted Airshed Grant (TAG) 2021 Program. The overall goal of the TAG Program is to fund emission reduction activities to reduce air pollution in nonattainment areas with the highest levels of ozone and PM 2.5 ambient air concentrations in the United States. The EPA identified Sacramento, California as one of the nonattainment areas eligible for this funding. The Sacramento Federal Ozone Nonattainment Area (SFNA) is comprised of all of Sacramento and Yolo counties, and parts of Solano, Sutter, El Dorado, and Placer counties.
- 1.2 On June 16, 2022, the EPA awarded \$7,070,148 of TAG funds to the Sac Metro Air District as the recipient of the five-year grant for the SFNA. The project period is from May 1, 2022 to April 30, 2027. Pre-award costs are approved beginning May 1, 2022. The Grant Number (FAIN) for this award is 98T36001 and the CFDA number is 66.956 - Targeted Airshed Grant Program. The grant statutory authority is the 2021 Consolidated Appropriations Act (PL116-260). The grant is awarded under the regulatory authority of 2 CFR 200, 2 CFR 1500, and 40 CFR 33.
- 1.3 El Dorado AQMD, Placer County Air Pollution Control District (Placer County APCD), and Yolo-Solano Air Quality Management District (Yolo-Solano AQMD) are not eligible to receive the TAG funding directly from the EPA and require an approved agency to receive the monies from the EPA and administer the disbursement of the funds as a pass-through. The Sac Metro Air District will serve as the TAG recipient and El Dorado AQMD, Placer County APCD, and Yolo-Solano AQMD will be sub-recipients of the grant.
- 1.4 The TAG project activities to be performed include replacing older school buses with new school buses; replacing agricultural equipment with cleaner equipment; paving unpaved roadways; chipping residential biomass as an alternative to open burning; replacing existing harvesters with new, low-dust equipment; and providing agricultural chipping as an alternative to open burning. All activities will reduce PM 2.5 ambient air emission in their nonattainment communities.
- 1.5 The El Dorado AQMD portion of the total grant award is \$971,890 for the five-year grant period, and includes the following activities:
- Unpaved Road Paving – Pave 4.8 miles of unpaved roadways
 - Residential Biomass Chipping – Chip 250,000 cubic yards of vegetation
- 1.6 On July 28, 2022, the Sac Metro Air District Board of Directors passed a motion to authorize the Air Pollution Control Officer (APCO) to execute MOUs with El Dorado AQMD, Placer County APCD, and Yolo-Solano AQMD for the Sac Metro Air District to provide the administrative function for the TAG funds and for the pass-through of TAG funds to the sub-recipients.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, Sac Metro Air District and El Dorado AQMD agree as follows:

2.0 Terms and Conditions

2.1 Purpose of MOU

The purpose of this MOU is to set forth the expectations of El Dorado AQMD and Sac Metro Air District regarding Sac Metro Air District's role as the recipient/administrator for federal funds passed through to El Dorado AQMD under the EPA TAG Program. El Dorado AQMD is the sub-recipient of the TAG funds.

2.2 Term of MOU

The term of this MOU will commence **upon full execution** and terminates on **August 31, 2027**.

2.3 Scope of Services

A description of the Scope of Services for each party is outlined in Exhibit A.

2.4 EPA TAG Terms and Conditions

The EPA Notice of Award dated 6/16/2022 is attached as Exhibit B and incorporated herein. All terms and conditions outlined in the Notice of Award apply to Sac Metro Air District as the grant recipient and El Dorado AQMD as the grant sub-recipient.

2.5 Indemnification

- A. Sac Metro Air District will indemnify and defend El Dorado AQMD, its officers, agents, and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of a person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of Sac Metro Air District in the performance of its obligations under this MOU.
- B. El Dorado AQMD will indemnify and defend Sac Metro Air District, its officers, agents, and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of a person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of El Dorado AQMD in the performance of its obligations under this MOU.

2.6 Termination

Either party may terminate this MOU at any time by providing the other party written notice. The Sac Metro Air District, through its APCO, may terminate or amend this Contract without prior notice if advised that EPA funds are not available for this Contract or any portion of this Contract. If the Sac Metro Air District terminates or amends this Contract under this paragraph, the Sac Metro Air District must serve notice of the action on El Dorado AQMD within two (2) working days.

2.7 Communication

Any communication between the parties that is required under the provisions of this MOU must be in writing, and be either: (i) personally delivered, (ii) sent by prepaid, certified first-class mail, return

receipt requested, or (iii) sent by electronic mail (provided confirmation of delivery is confirmed via read receipt). Communications must be addressed to the parties as follows:

To El Dorado AQMD	To Sac Metro Air District
Scott Wilson Air Quality Administrative Analyst El Dorado County Air Quality Management District 330 Fair Lane Placerville, CA 95667 Phone (530) 621-7554 Email: scott.wilson@edcgov.us	Mark Loutzenhiser Program Coordination Division Manager Sacramento Metropolitan Air Quality Management District 777 12 th Street, Ste. 300 Sacramento, CA 95814 Phone (279) 207-1160 Email: MLoutzenhiser@airquality.org

- A. **Change of Mailing or Email Addresses:** Either party may change the mailing and/or email addresses for service by giving 15 days' advance written notice to the other party.
- B. **Effective Date:** All notices will be effective upon receipt and will be deemed received (i) upon delivery if personally delivered, (ii) on the 5th day following deposit in the mail, if sent by certified mail, or (iii) upon the date stated in the email delivery confirmation if sent by email.
- 2.8 **Audit of Records**
With regard to this MOU, both parties will maintain appropriate financial records and each party may demand access to these financial records to perform an audit. Both parties must make these records available to the requesting party within thirty (30) days after receiving a request for the records. Both parties must maintain records for five (5) years after the termination of the MOU.
- 2.9 **Severability**
If any provision of this MOU is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of this MOU, and this MOU will be construed and enforced as if such provision had not been included.
- 2.10 **Payments that Contravene the Law**
Sac Metro Air District has no liability for payment of any expenses that are found to contravene the law. El Dorado AQMD will reimburse Sac Metro Air District for any funds paid by it under this MOU that are later determined to contravene federal, state, or local laws and regulations.
- 2.11 **Waiver of MOU Provisions**
Waiver by either party of any default, breach, or condition precedent will not be construed as a waiver of any other default, breach, or condition precedent or right under this MOU.
- 2.12 **MOU Manager**
The **Program Coordination Division Manager** is Sac Metro Air District's named Contract Manager for this MOU. It is the responsibility of the Contract Manager to 1) verify compliance with the terms and conditions of the MOU, 2) review and approve all invoices under this MOU, and 3) ensure that all required reports are submitted to EPA. The APCO may designate a new Contract Manager.
- 2.13 **Alteration**
No alteration or variation of the terms of this MOU is valid unless made in writing and signed by both parties.

2.14 **Counterparts**

This MOU may be executed in multiple counterparts, each of which will constitute an original, and all of which taken together will constitute one and the same instrument. Signatures transmitted via facsimile or portable document format (pdf) to other parties to this MOU will be deemed equivalent to original signatures on counterparts.

2.15 **Successors**

This MOU will bind the successors of Sac Metro Air District and El Dorado AQMD in the same manner as if they were expressly named.

2.16 **Entire Agreement**

This MOU constitutes the entire understanding between Sac Metro Air District and El Dorado AQMD in the same manner as if they were expressly named. This MOU includes the following documents, which are incorporated as though fully set forth herein:

- Exhibit A – Scope of Services
- Exhibit B – EPA TAG Notice of Award No. 98T36001
- Exhibit C – TAG Budget

2.17 **Authority to Bind**

The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

Executed by:

**Sacramento Metropolitan Air Quality
Management District**

**El Dorado County Air Quality Management
District**

Alberto Ayala
Alberto Ayala, Ph.D., M.S.E.
Executive Director/APCO

Dave Johnston
Dave Johnston
Air Pollution Control Officer

Date: 9/15/2022

Date: 9/7/2022

Reviewed by:

Kathrine Pittard
Kathrine Pittard
District Counsel

Exhibit A Scope of Services

The scope of work for each party is described as follows:

Fiscal Agent: The Sac Metro Air District is the grant recipient/fiscal agent for the EPA TAG program for the project period. The EPA project period is from May 1, 2022 to April 30, 2027.

Subrecipient: El Dorado AQMD is a sub-recipient of the TAG.

Award Amount: The grant provides a total federal funding of \$7,070,148 for the five-year grant term per the budget summary outlined on page 3 in the Notice of Award (Exhibit B).

Sac Metro Air District Responsibilities

1. Invoicing:

- A. Invoice Review – Sac Metro Air District will review and approve all qualified El Dorado AQMD invoices within 30 days of the submission of a complete invoice package. Invoices will be submitted quarterly by the 15th day of the calendar month following fiscal quarter-end (i.e., October 15th for the fiscal quarter ended September 30th). El Dorado AQMD may also submit invoices monthly when necessary to expedite reimbursement for disbursements under the program. The monthly invoice review and payment process will follow the same processing guidelines outlined for a quarterly invoice. El Dorado AQMD will notify Sac Metro Air District before submitting a monthly invoice.

A complete invoice package includes the El Dorado AQMD invoice and all documents to support the invoiced amounts, as required per the Terms and Conditions section of the Notice of Award (Exhibit B). Sac Metro Air District will approve for payment of all reasonable and supported expenses. Any items not resolved or supported in a given invoice will not be paid at that time. Once resolved these items may be included in future invoices.

- B. Invoice Payment – Sac Metro Air District will pay approved El Dorado AQMD invoices within 30 days of approval. Payments will be made by ACH or check. Details of the payment process are as follows:

Once the invoice is approved, Sac Metro Air District will request reimbursement from the EPA for the requested amount. When the funds are received by the Sac Metro Air District (generally within five (5) business days of the request), the Sac Metro Air District will process payment to El Dorado AQMD via the regular payment process of the Sac Metro Air District. If funds are not available from the EPA on the grant to the Sac Metro Air District, payment will not be made to the El Dorado AQMD.

- C. Allowable Costs – Sac Metro Air District and El Dorado AQMD will follow 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award costs. Under this guidance, costs must be necessary and reasonable for the performance of the award and be allocable. Only allowable costs will be approved for reimbursement.

2. Reporting:

- A. EPA Reporting – Sac Metro Air District will submit the following reports to the EPA:

i. **Quarterly Reporting:**

Submit the required reporting template to the EPA based on data contained in the quarterly reports received from El Dorado AQMD. Sac Metro Air District will submit the EPA reports according to the following schedule:

- October 1 - December 31, Reporting Period: Report due January 31;
- January 1 - March 31, Reporting Period: Report due April 30;
- April 1 - June 30, Reporting Period: Report due July 31;
- July 1 - September 30, Reporting Period: Report due October 31.

ii. Final Reporting:

Sac Metro Air District will submit the final performance report to the EPA within 120 days after the project period end date or termination of the EPA assistance agreement. The report will be based on the data submitted in the final performance report from El Dorado AQMD.

- B. Schedule of Expenditures of Federal Awards (SEFA) Reporting – Sac Metro Air District will assist El Dorado AQMD and the El Dorado County Auditor-Controller with SEFA reporting as required by the EPA and external Certified Public Accountants (CPA).
3. **Sub-recipient Monitoring:** Sac Metro Air District will comply with all provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward policy in monitoring El Dorado AQMD as a sub-recipient of the TAG funds. This will include an annual meeting with El Dorado AQMD to perform monitoring requirements.

El Dorado AQMD's Responsibilities

1. Invoicing:

- A. Basis of Invoiced Expenses - Amounts will be invoiced on a reimbursement basis (i.e., expenditures made before the request for reimbursement).
- B. Invoice Submission – Submit grant invoices with all required supporting documentation for eligible expenses within 15 calendar days of the end of each fiscal quarter or month, as applicable, for which reimbursement of expenses is being sought. The El Dorado AQMD invoice will include complete supporting documentation.
- C. Invoice Format – The invoice package will be submitted electronically to the Sac Metro Air District SharePoint link. El Dorado AQMD will e-mail the Sac Metro Air District Controller and/or their designee notifying Sac Metro Air District when an invoice is submitted/sent.
- D. Invoice Information Requests – El Dorado AQMD will respond to Sac Metro Air District requests for information to support quarterly or monthly invoices on a timely basis, not to exceed 10 business days.
- E. Invoice Award Limit – Invoices will be submitted in a total amount not to exceed the EPA grant award for El Dorado AQMD identified in the TAG Budget (Exhibit C).
- F. Timing of Expenses - Expenditures submitted for reimbursement must occur within the term of the TAG project.
- G. Allowable Costs – El Dorado AQMD will follow 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award costs. Under this guidance, costs must

be necessary and reasonable for the performance of the award and be allocable. El Dorado AQMD will only submit allowable costs for reimbursement.

2. Reporting:

- A. **EPA Reporting** – El Dorado AQMD will follow all reporting requirements as outlined in the TAG Notice of Award (Exhibit B) for Quarterly and Final Reports, including:
 - i. **Quarterly Reporting:**

El Dorado AQMD will provide quarterly reporting to Sac Metro Air District by the 15th calendar day of the month following fiscal quarter-end. The template to be completed will be provided by the EPA. El Dorado AQMD will submit the EPA reports according to the following schedule:

 - October 1 - December 31, Reporting Period: Report due January 15;
 - January 1 - March 31, Reporting Period: Report due April 15;
 - April 1 - June 30, Reporting Period: Report due July 15;
 - July 1 - September 30, Reporting Period: Report due October 15.
 - ii. **Final Reporting**

El Dorado AQMD will submit the final performance report to the Sac Metro Air District within 90 days after the project period end date or termination of the EPA assistance agreement.
3. **Audited financial statements:** In conjunction with the El Dorado County Auditor-Controller, the El Dorado AQMD will provide to the Sac Metro Air District the audited annual financial statements 60 days after financial statements are issued by the external CPA.
4. **Annual Budget:** Provide to the Sac Metro Air District the annual budget for the EPA TAG funding within 60 days after Board approval.
5. **Response to Audit Requests:** In conjunction with the El Dorado County Auditor-Controller, provide a timely response in not more than 10 business days to requests from the Sac Metro Air District for documents to support audit requests for documents not previously provided (i.e., EPA audits, external CPA audits, etc.).
6. **SEFA Reporting:** In conjunction with the El Dorado County Auditor-Controller, assist the Sac Metro Air District with SEFA reporting as required by the EPA and external CPAs.
7. **Sub-recipient Monitoring:** As a sub-recipient of the TAG funds, El Dorado AQMD will meet annually, at a minimum, with Sac Metro Air District finance staff to comply with EPA sub-recipient monitoring requirements and review grant performance.

Exhibit B

 <p align="center">U.S. ENVIRONMENTAL PROTECTION AGENCY</p> <p align="center">Cooperative Agreement</p>	GRANT NUMBER (FAIN): 98T36001 MODIFICATION NUMBER: 0 PROGRAM CODE: TA		DATE OF AWARD 06/16/2022
	TYPE OF ACTION New		MAILING DATE 06/22/2022
	PAYMENT METHOD: ASAP		ACH# 90390
	RECIPIENT TYPE: Special District		
RECIPIENT: Sacramento Metropolitan AQMD 777 12th Street, 3rd Floor Sacramento, CA 95814 EIN: 68-0382186		PAYEE: Sacramento Metropolitan AQMD 777 12th Street, 3rd Floor Sacramento, CA 95814	
PROJECT MANAGER		EPA PROJECT OFFICER	
Mark Loutzenhiser 777 12th Street 3rd Floor Sacramento, CA 95814-1908 Email: mloutzenhiser@airquality.org Phone: 916-874-4872		Angela Latigue 75 Hawthorne Street, AIR-1-1 San Francisco, CA 94105 Email: latigue.angela@epa.gov Phone: 415-947-4170	
EPA GRANT SPECIALIST			
Alexandra Perez Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105 Email: perez.alexandrea@epa.gov Phone: 415-972-3826			
PROJECT TITLE AND DESCRIPTION Targeted Air Shed - Sacramento PM2.5 Nonattainment Area Community Air Shed See attachment 1 for project description			
BUDGET PERIOD 05/01/2022 - 04/30/2027	PROJECT PERIOD 05/01/2022 - 04/30/2027	TOTAL BUDGET PERIOD COST \$13,603,313.00	TOTAL PROJECT PERIOD COST \$13,603,313.00
<h3>NOTICE OF AWARD</h3> <p>Based on your Application dated 06/24/2021 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$7,070,148.00. EPA agrees to cost-share 51.97% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$7,070,148.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.</p>			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS	
U.S. EPA, Region 9 , U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105		U.S. EPA, Region 9, Air and Radiation Division, AIR-1 R9 - Region 9 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer			DATE 06/16/2022

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$7,070,148	\$7,070,148
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$4,696,967	\$4,696,967
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$1,836,198	\$1,836,198
Allowable Project Cost	\$0	\$13,603,313	\$13,603,313

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.956 - Targeted Airshed Grant Program	2021ConsolidatedAppropriationsAct(PL116-260)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
SMAQMD	2209M9S010	21	E4	09M2	000AJ9	4193	-	-	\$7,070,148
									\$7,070,148

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$27,648
2. Fringe Benefits	\$11,059
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$13,564,606
9. Total Direct Charges	\$13,603,313
10. Indirect Costs: 0.00 % Base	\$0
11. Total (Share: Recipient <u>48.03</u> % Federal <u>51.97</u> %)	\$13,603,313
12. Total Approved Assistance Amount	\$7,070,148
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$7,070,148
15. Total EPA Amount Awarded To Date	\$7,070,148

Attachment 1 - Project Description

The purpose of this cooperative agreement is to provide assistance to the Sacramento Metropolitan Air Quality Management District (SMAQMD) to coordinate and passthrough funding to the El Dorado Air Quality Management District (EDCAQMD), Placer County Air Pollution Control District (PCAPCD) and the Yolo Solano Air Quality Management District (YSAQMD) in effort to reduce PM 2.5 ambient air emissions in their nonattainment communities.

This agreement provides full federal funding in the amount of \$7,070,148. Preaward costs have been approved back to May 1, 2022. Activities to be performed are replacing older school buses with new school buses; replacing agricultural equipment with cleaner equipment; paving unpaved roadways; chipping residential biomass as an alternative to open burning; replacing existing harvesters with new, low-dust equipment; and providing agricultural chipping as an alternative to open burning. All activities will reduce PM 2.5 ambient air emissions in their nonattainment communities.

The anticipated deliverables and outcomes of this award include replaced older school buses with new school buses; replaced agricultural equipment with cleaner equipment; paved roadways; alternatives to open burning; replaced low-dust harvesting equipment; and chipped agricultural biomass. Direct beneficiaries of this project are community residents, visitors, and businesses within the counties of El Dorado, Placer and Yolo Solano air basins who will have decreased exposure to fine particulate matter (PM 2.5) emission pollution.

Activities to be performed are replacing older school buses with new school buses; replacing agricultural equipment with cleaner equipment; paving unpaved roadways; chipping residential biomass as an alternative to open burning; replacing existing harvesters with new, low-dust equipment; and providing agricultural chipping as an alternative to open burning.

Administrative Conditions

Administrative Conditions "A" through "E" below apply. In addition, for General Terms and Conditions please reference the paragraph below.

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Federal Financial Reporting (FFR)

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the EPA Finance Center in Research Triangle Park, NC. The annual FFR will be submitted electronically to rtpfc-grants@epa.gov no later than **December 30** of the same calendar year. Find additional information at <https://www.epa.gov/financial/grants>. (NOTE: The grantee must submit the Final FFR to rtpfc-grants@epa.gov within 120 days after the end of the project period.)

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance 2 CFR Part 200.324 the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. MBE/WBE Reporting, 40 CFR, Part 33, Subpart E (EPA Form 5700-52A)

The recipient agrees to submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) annually for the duration of the project period. The current EPA Form 5700-52A with instructions can be found at <https://www.epa.gov/grants/epa-form-5700-52a-united-states-environmental-protection-agency-minority-business>

This provision represents an approved exception from the MBE/WBE reporting requirements as described in 40 CFR Section 33.502.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the Simplified Acquisition Threshold (SAT) currently, set at \$250,000 (the dollar threshold will be automatically revised whenever the SAT is adjusted; See 2 CFR Section 200.1), including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just the portion which exceeds the SAT.

Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. For section 2B, the Region 9 EPA DBA Coordinator is Alexandria Perez, email: GrantsRegion9@epa.gov, phone: 415-972-3826.

The annual reports are due by October 30th of each calendar year and the final report is due within 120 days after the end of the project period, whichever comes first. The recipient will submit the MBE/WBE report(s) and/or questions to GrantsRegion9@epa.gov and the EPA Grants Specialist identified on page 1 of the award document.

D. Indirect Costs

The Cost Principles under 2 CFR Part 200, Subpart E apply to this award. Since there are no indirect costs included in the assistance budget, they are not allowable under this Assistance Agreement.

E. Non-Federal Third-Party Contributions

This award includes non-federal third party contributions. Third party contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantees. As applicable, these records must reflect how the value is placed on third party contributions. The value of third party contributions must be applicable to the period to which the cost sharing or matching requirement apply (2 CFR Part 200.306).

Programmatic Conditions

I. FOUNDATIONAL PROGRAMMATIC TERMS AND CONDITIONS

A. Workplan and Budget Revisions

The recipient is expected to carry out the tasks and activities in the approved workplan. The recipient shall consult the U.S. Environmental Protection Agency (EPA) Project Officer (PO) regarding whether a proposed budget or workplan activity revision constitutes a significant change in the scope or the objective of the project or program. The recipient may not make significant changes to the proposed activities in the EPA-approved workplan or budget without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If issues arise regarding workplan activities (including technology compatibility issues) that cannot be resolved, EPA may elect to terminate the cooperative agreement following the procedural requirements of 2 CFR Parts 200 and 1500, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

B. Substantial Federal Involvement for Cooperative Agreements

EPA will be substantially involved in overseeing this cooperative agreement, which may include, but is not limited to programmatic oversight and monitoring, reviewing project phases, approving substantive terms included in professional

services contracts (EPA will not direct or recommend that the recipient enter into a contract with a particular entity), and EPA collaboration regarding scope of work and mode of operation.

C. Quarterly Performance Reporting and Final Performance Report

C.1. Quarterly Reports – Content

The recipient must submit quarterly performance reports that address the progress made to achieve the workplan commitments. The recipient must include summary information on technical progress and expenditures, and planned activities for next quarter.

In accordance with 2 CFR §200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas:

- a. a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period;
- b. the reasons why established outputs/outcomes were not met; and
- c. additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

A suggested template for the quarterly reports will be provided by the PO. Additionally, the recipient agrees to inform the PO as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan arise.

For replacement projects, each quarterly report must include the total number of scrapped and replaced, replaced-only, and/or repaired devices.

For road and/or alley paving projects, each quarterly report must include:

- a. a detailed list of each road segment that was improved
- b. specific location identifiers, such as cross-streets; and
- c. the start/end point of each road segment.

For each paved road segment, the performance report must include clear photographs of the area both before and after the road is paved, or as outlined in the recipient's approved workplan.

For reducing residential and/or agricultural biomass, each quarterly report must provide an update of these activities. To the extent possible and/or specified in the approved workplan, include quantifiable biomass removed, chipped and/or prevented from being burned.

C.2. Final Report – Content

The recipient must submit the final performance report to the PO within 120-days after the project period end date or termination of the assistance agreement. A suggested template for the final report, similar to the quarterly report template, will be provided by the PO. As applicable, the total number of removed and/or scrapped devices, the total number of repaired devices, and the total number of new funded devices must be included in the final performance report. The final performance report must include the following:

- a. A narrative summary of the project or activity.

- b. Project results (outputs and outcomes) as reflected in the final, approved workplan, which must include but are not limited to the following:
- i. For demonstration projects, testing processes and results, and/or the performance of the device(s) must be provided.
 - ii. Final estimated air emissions benefit calculations for all the activities undertaken by the recipient. Estimated emissions benefits may include pollutants (e.g., PM2.5 and NOx) that affect the nonattainment status of the area where the project is located. The final estimated emission benefit calculations must be based on the actual number and type of funded devices as included in the workplan. The recipient must include the methodologies and a detailed explanation of how these estimated values were derived, as well as any assumptions or default values used for the purposes of emissions benefit calculations.
- C. Required documentation, as listed in Section II.A.3. below.
- d. A description of how the project or activities contributed towards compliance with the State Implementation Plan and/or National Ambient Air Quality Standards.
- e. A discussion of the problems, successes, and lessons learned – including feedback received from project participants (e.g., program beneficiaries, members of the public, subrecipients, contractors, etc.) – for the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.
- f. If any cost-share or leveraged funds were reported, the recipient must identify the source of funds.
- g. If any program income was generated, the recipient must identify the amount of program income, how it was generated, and how the program income was used, as described in the Program Income section below.
- h. To the extent possible, qualitative estimated health benefits achieved, which can be measured by the type of illnesses prevented, avoided health care costs, missed work/school days avoided or reduced mortality from air pollution.

C.3. Quarterly Reports – Due Dates

Quarterly reports are due according to the following schedule, or an alternative schedule with prior approval by the PO:

- October 1 - December 31; Reporting Period: report due January 31;
- January 1 - March 31; Reporting Period: report due April 30;
- April 1 - June 30; Reporting Period: report due July 31; and
- July 1 - September 30; Reporting Period: report due October 31.

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

C.4. Final Report – Due Date

The recipient must submit the final performance report to the PO within 120-days after the project period end date or termination of the assistance agreement.

C.5. Subaward Reporting Requirement for Quarterly and Final Reports

A subaward means an award provided by the recipient to a subrecipient for the subrecipient to carry out part of this Targeted Airshed Grant project. It does not include payments to contractors or payments to program beneficiaries receiving

participant support costs. The recipient must comply with applicable provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward Policy, which may be found at: epa.gov/grants/epa-subaward-policy. The recipient must report on its subaward monitoring activities under 2 CFR §200.332(d). Examples of items that must be reported:

C.5.1. Summaries of results of reviews of financial and programmatic reports.

C.5.2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.

C.5.3. Environmental results the subrecipient achieved.

C.5.4. Summaries of audit findings and related pass-through entity management decisions.

C.5.5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR §200.208, 2 CFR §200.332(e), and 2 CFR §200.339 Remedies for Noncompliance.

D. Cybersecurity Grant Conditions for Recipients

D.1. Cybersecurity Grant Condition for Other Recipients, Including Intertribal Consortia

The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements.

D.1.1. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency Information Technology (IT) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the PO no later than 90-days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

D.1.2. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in D.1.1. if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR §200.332(d), by inquiring whether the subrecipient has contacted the PO. Nothing in this condition requires the recipient to contact the PO on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

E. Delays or Favorable Developments

The recipient agrees that it will promptly notify the PO of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the workplan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also

notify the PO of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

F. Procurement Procedures

The recipient must follow applicable procurement procedures. EPA will not be a party to these transactions. For State recipients, if EPA funds are used to purchase goods or services, the State recipient agrees to comply with 2 CFR §200.317, *Procurement by states*; 2 CFR §§1500.10, *General procurement standards*; and 40 CFR Part 33, *Disadvantaged Business Enterprises Rule*.

All other non-State recipients must comply with the procurement under grants standards of 2 CFR §§200.318 – 327, 2 CFR §§1500.10, and 40 CFR Part 33 including conducting procurement transactions in a manner providing full and open competition as set forth in the applicable regulations. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, and conduct cost and price analyses. In addition, a subaward cannot be used if the transaction falls within the category of a procurement.

G. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf or a copy may also be requested by contacting the PO for this award.

H. Public or Media Events

The recipient agrees to notify the PO listed in this award document of a press release and public or media events publicizing the accomplishment of significant events related to projects resulting from this agreement and provide the opportunity for review of a press release or attendance and participation by federal representatives with at least ten working days' notice.

I. Leveraging

Leveraging

The recipient agrees to provide the proposed leveraged funding, including any voluntary cost-share contribution or overmatch, that is described in its proposal dated June 24, 2021 (**See also clause below if the leveraging included a voluntary cost-share contribution or overmatch**). If the proposed leveraging does not materialize during the period of award performance, and the recipient does not provide a satisfactory explanation, the Agency may consider this factor in evaluating future proposals from the recipient. In addition, if the proposed leveraging does not materialize during the period of award performance then EPA may reconsider the legitimacy of the award; if EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the leveraged funding the recipient described in its proposal dated June 24, 2021, EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

Voluntary Cost-Share or Overmatch

This award and the resulting federal funding of \$7,070,148 is based on estimated costs requested in the recipient's

application dated June 24, 2021. Included in these costs is a voluntary cost-share contribution of \$6,533,165 by the recipient in the form of a voluntary cost-share or overmatch (providing more than any minimum required cost-share) that the recipient included in its proposal dated June 24, 2021. The recipient must provide this voluntary cost-share contribution during performance of this award unless the EPA agrees otherwise in a modification to this agreement. While actual total costs may differ from the estimates in the recipient's application, EPA's participation shall not exceed the total amount of federal funds awarded.

If the recipient fails to provide the voluntary cost-share contribution during the period of award performance, and EPA does not agree to modify the agreement to reduce the cost share, the recipient is in violation of the terms of the agreement. In addition to other remedies available under 2 CFR Part 200, the Agency may consider this factor in evaluating future proposals from the recipient. In addition, if the voluntary cost-share contribution does not materialize during the period of award performance then EPA may reconsider the legitimacy of the award; if EPA determines that the recipient knowingly or recklessly provided inaccurate information regarding the voluntary cost-share or overmatch the recipient described in its proposal dated June 24, 2021. EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180 as applicable.

J. Participant Support Costs/Rebates

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Program beneficiaries cannot be a contractor, subrecipient, or employee of recipient. Participant support costs are not subawards as defined by 2 CFR §200.1 and should not be treated as such. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement.

- Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to *Interim EPA Guidance on Participant Support Costs*: www.epa.gov/sites/production/files/2018-09/documents/interim_guidance_on_participant_support_costs.pdf.
- Recipient must maintain source documentation regarding program support funds to ensure proper accounting of EPA funds.
- Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:
 - Describe the activities that will be supported by rebates, stipends, subsidies or other payments;
 - Specify the amount of the rebate, subsidy, stipend, or other payment;
 - Identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment; and
 - Specify any reporting required by the program beneficiary and the length of time for such reporting.
- Recipient must obtain the prior written approval from EPA's Award Official if it wants to provide participant support costs that were not described in the approved workplan and budget. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.
- Recipient must obtain prior written approval from EPA's Award Official if recipient wants to modify the amount approved (upwards or downwards) for participant support costs. If the recipient's request would result in undermining

the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.

II. ACTIVITY-SPECIFIC AND PROJECT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS

These Specific Programmatic Terms and Conditions apply to assistance agreements that fund replacement-only, repair, and scrappage and replacement project(s). Replacement-only and scrappage and replacement projects include any project to replace a higher-polluting vehicle, engine, equipment, device, or appliance with a cleaner, lower-polluting vehicle, engine, equipment, device or appliance (referred throughout this document as a "device"). Scrappage and replacement projects may only include scrapping a higher-polluting device and replacing a cleaner device. Replacement-only projects may only include removing a higher-polluting device from the nonattainment area as listed in the EPA approved workplan and replacing it with a cleaner device. Projects that provide EPA financial assistance to remove and render inoperable a fully operational high-polluting device without installing a less polluting device may be allowed, as long as the recipient can demonstrate the estimated emission reductions as included in the EPA approved workplan. Scrappage and replacement projects may only include scrapping a higher-polluting device and not include replacing a cleaner device. Repair or retrofit projects may only include repairing a higher-polluting device and not scrapping or replacing it with a cleaner device. These devices may operate in, but are not limited to, the following applications: mobile on- and nonroad vehicles, engines or equipment, including lawn and garden equipment; or devices providing heat (i.e., woodstoves, fireplaces, heat pumps, coal or pellet stoves, etc.).

Emission reduction projects and activities must meet or exceed the latest emissions standards for the respective pollutant(s). If no federal or state standard for the proposed activity exists, the grantee should use the most stringent, least polluting option.

A. Mobile Onroad and Nonroad Devices

A.1. Allowable Activities

For those assistance agreements that include scrappage and/or replacement activities for mobile-source onroad and/or nonroad devices, the recipient agrees that funds under this award will be used to repair, replace, or remove inefficient, higher-polluting devices. Consistent with the recipient's EPA-approved workplan, the recipient will repair devices to make them more efficient and less polluting or replace devices with cleaner, lower-polluting devices.

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded cleaner, lower-polluting replacement devices, the recipient must ensure that the subrecipient or contractor ensure the program beneficiaries agree not to give away or sell the EPA-funded device during the life of this project. This requirement should be clearly set forth in the written subaward agreement or contract.

The recipient agrees not to repair, replace or retrofit any device that was previously purchased with Federal funds since January 2015, regardless of the type of device and amount of emissions that may be reduced. Additionally, projects cannot include any costs that are included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program, as required under 2 CFR 200.403(f). Projects can complement but cannot replicate activities funded under another federal assistance agreement(s). For instance, a recipient that has an existing targeted airshed or Diesel Emission Reduction Act assistance agreement to replace school buses may apply to replace additional school buses that are not already covered by one of their existing federally-financed assistance agreements. However, that recipient cannot propose to fund the replacement of the same buses already covered by one of their existing federal assistance agreements

The recipient shall not make significant changes to the proposed activities in the EPA-approved workplan without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

A.2. Fleet Expansion

The recipient agrees that funds cannot be used for the purchase of devices to expand a fleet. The inefficient, higher-polluting device must be fully operational and in service at the time of replacement. The recipient agrees that the cleaner, lower-polluting replacement device:

- a. will continue to perform a similar function and operation as the device that is being permanently rendered inoperable ;
- b. will achieve the estimated emission reductions included in the EPA-approved workplan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved workplan.

A.3. Removing from the Nonattainment Area and Required Documentation

To ensure the estimated air emissions reductions included in the workplan are achieved and permanent, the recipient agrees that every higher-polluting device will be permanently destroyed and rendered inoperable; or permanently removed from the recipient's respective air pollution nonattainment area(s). Higher-polluting devices include any device removed from service under this assistance agreement that will be replaced with a cleaner device.

Under this permanent destruction process, the recipient shall take every replaced device to an approved licensed dismantler/recycler or follow the process described in the EPA-approved workplan. Cutting a three-inch by three-inch hole in the engine block, the part of the engine containing the cylinders, is the preferred scrapping method. The recipient must deliver the higher-polluting device to the licensed dismantler/recycler within 90 days of removing the higher-polluting device from service, or as consistent with the EPA-approved workplan. Other acceptable scrappage methods, methods of removing the device from the nonattainment area(s) and required documentation may be considered but will require prior written approval from the EPA PO. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

The recipient must provide documentation on removing each higher-polluting device from the nonattainment area(s). The recipient is responsible for retaining documentation for:

- a. each higher-polluting device, which is fully operational and in service at the time of the replacement before it is removed from the nonattainment area(s); and
- b. each cleaner, lower-polluting replacement device, as listed in the recipient's workplan.

For each higher-polluting device removed from service, the recipient must take clear digital photographs of the following:

- a. the engine tag showing the serial number, engine family number, and engine model year; and
- b. the destroyed engine block.

For projects that are removing the higher polluting device from service, the recipient must also provide documentation that each higher pollution device was rendered inoperable within 90 days of receipt of the new device through a certificate of destruction form signed by the scrap yard or dismantler. For projects that are only removing the higher polluting device from the nonattainment area, the recipient must also provide documentation that each higher polluting device was removed from the nonattainment area(s) within 90 days of receipt of the new device. This documentation may include a written agreement between the recipient and owner and/or operator of the higher polluting device that this device will never operate inside the recipients' respective air pollution nonattainment area as indicated in the workplan and carried out for the life of the project.

A device description tracking sheet which includes details on every replaced higher-polluting and deployed cleaner device is required for all replacement and/or retrofit projects. The EPA PO will provide a template tracking sheet.

In accordance with 2 CFR §200.334, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the grant award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.337, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers, or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the higher polluting device or its components are to be sold, the recipient must comply with the Program Income requirements above.

A.4. Location

The recipient agrees that the funded project will be located in the recipient's respective air pollution nonattainment area(s) as indicated in the recipient's workplan. The recipient agrees that the project or activity will be carried out in the nonattainment area(s) described in the recipient's workplan for the life of the project. The funded cleaner, lower-polluting device(s) may not be sold nor operate a majority of the time outside of the nonattainment area(s) for the entire life of the project.

B. Biomass Chipping Projects

The recipient agrees that the chipped residential and/or agricultural biomass material will not be burned within the nonattainment area(s) for the life of the project.

C. Road Paving

C.1. Required Documentation

In accordance with 2 CFR §200.334, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the grant award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.337, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded road paving activities, the recipient must ensure that the subrecipient or contractor ensure the program beneficiaries agree not to give away or sell any EPA-funded devices during the life of this project. This requirement should be clearly set forth in the written subaward agreement or contract.

If any purchased equipment or its components are to be sold, the recipient must comply with the program income requirements (see the Program Income section above).

C.2. Location

The recipient agrees that the funded project will be located in the recipient's respective air pollution non-attainment area(s) as indicated in the recipient's workplan. The recipient agrees that the project or activity will be carried out in the non-attainment area(s) and other locations as described in the recipient's workplan for the life of the project.

END OF DOCUMENT

Exhibit C

Line Item & Itemized Cost				EPA Funding	Non-Federal Cost Share			
SACRAMENTO METROPOLITAN AIR QUALITY DISTRICT								
PERSONNEL								
Sacramento AQMD Staff Time on Administration	Hourly Rate	Hours per Week	Number of Weeks					
Fiscal Assistant	\$ 30.81	0.20	240	\$	1,479			
Sr. Accountant	\$ 50.29	0.80	240	\$	9,656			
Controller	\$ 75.96	0.30	240	\$	5,469			
Division Manager	\$ 87.32	0.35	240	\$	7,335			
District Counsel	\$ 119.14	0.05	240	\$	1,430			
Admin Specialist	\$ 46.55	0.05	240	\$	559			
Legal Assistant	\$ 38.31	0.05	240	\$	460			
APCO	\$ 105.12	0.05	240	\$	1,261			
Sacramento AQMD Subtotal				\$	27,648	\$	-	
TOTAL PERSONNEL				\$	27,648	\$	-	Sac
Fringe Benefits	Total Personnel	20%		40%				
Fringe Benefits Sacramento 40%	\$ 27,648			0.4	\$	11,059		
TOTAL FRINGE BENEFITS					\$	11,059	\$	-
OTHER - (Passthrough via Contract)								
PERSONNEL								
EDC AQMD Staff Time on Components 3 & 4	Hourly Rate	Hours per Week	Number of Weeks					
Air Quality Technician	\$ 23.87	0.10	240	\$	573			
Air Quality Administrative Analyst	\$ 42.69	0.50	240	\$	5,123			
Air Quality Specialist	\$ 41.05	0.10	240	\$	985			
Air Quality Engineer	\$ 45.95	0.10	240	\$	1,103			
Senior Air Quality Engineer	\$ 52.85	0.20	240	\$	2,537			
Air Pollution Control Officer	\$ 75.77	0.40	240	\$	7,274			
EDC AQMD Subtotal				\$	17,594	\$	-	ED
Placer APCD Staff Time on Components 1 & 2	Hourly Rate	Hours per Week	Number of Weeks					
Account Clerk	\$ 27.21	1.00	240	\$	6,530			
Administrative Technician	\$ 33.08	1.00	240	\$	7,939			
IT Technician	\$ 41.01	0.00	240	\$	-			
Senior Administrative Services Officer	\$ 53.59	2.00	240	\$	25,723			
AQ Specialist	\$ 50.14	6.00	240	\$	72,202			
Senior AQ Planner	\$ 56.59	0.00	240	\$	-			
Senior Air Quality Engineer	\$ 52.66	0.50	240	\$	6,319			
Deputy APCO	\$ 68.33	2.00	240	\$	32,798			
Air Pollution Control Officer	\$ 91.89	0.00	240	\$	-			
Placer APCD Subtotal				\$	151,512	\$	465,414	3rd Placer
Yolo Solano AQMD Staff Time on Components 1, 5 & 6	Hourly Rate	Hours per Week	Number of Weeks					
Administrative Assistant	\$ 27.08	0.25	240	\$	1,625			
Administrative Analyst	\$ 45.44	1.75	240	\$	19,085			
Deputy APCO	\$ 77.76	0.25	240	\$	4,666			
Administrative Services Manager	\$ 66.98	0.25	240	\$	4,019			
Yolo Solano AQMD Subtotal				\$	29,394	\$	-	Yolo
TOTAL PERSONNEL				\$	198,500	\$	465,414	8.86% \$ 3,519 EC
Fringe Benefits	Total Personnel	20%		40%				76.33% \$ 30,302 PC
Fringe Benefits EDC, Placer, YoloSolano 20% (FICA, Health, Life Ins, Workers Comp, Retirement)	\$ 198,500	0.2			\$	39,700		14.81% \$ 5,879 YS
TOTAL FRINGE BENEFITS					\$	39,700	\$	-
Supplies								
Direct Mail Fliers for Chipping Component (YSAQMD)	Printing Cost	Mailing Cost	Number of Fliers					
	\$ 0.34	\$ 0.50	3,000	\$	2,797			Yolo
TOTAL SUPPLIES				\$	2,797	\$	-	
Component 1 Heavy Duty Vehicle Electrification (HDVE)								
	Incentive Amount	Number						
Incentives for school districts serving disadvantaged & low income communities in Placer	\$ 200,000	8		\$	1,600,000			Placer
Incentives for school districts	\$ 400,000	2		\$	800,000			Placer
Learning community coordination expenses (outreach materials, event coordination expenses)	\$			\$	50,000			Placer
Placer School districts contribution and leveraged funding	\$ 1,982,117			\$	1,982,117			PSC* Yolo
Incentives for diesel school bus to zero-emission electric school buses in Yolo Solano	\$ 150,000	2		\$	300,000			Yolo
YSAQMD contribution toward replacement projects	\$ 165,000	2		\$	330,000			3rd Yolo
Yolo/Solano School districts contribution and leveraged funding	\$ 154,415	2		\$	308,829			PSC* Yolo
Subtotal Heavy Duty Electrification				\$	2,750,000	\$	2,620,946	
Component 2 Off Road Ag Equipment (AER)								
	Average Cost per Ag Equipment	Number of Units Replaced						
Grant amount paid to farmers to replace Ag Equipment	\$ 130,295	20		\$	2,605,898			Placer
Additional amount paid by farmers to replace old Ag Equipment	\$ 92,901	20		\$	1,858,020			PSC* Placer
Print, online and other forms of advertising (Ag Alert and local newspapers)	\$			\$	2,950	\$	2,950	3rd Placer
Subtotal Off Road Ag Equipment Replacement				\$	2,608,848	\$	1,860,970	
Component 3 Unpaved Road Paving (URP)								
	Cost per Square Foot of Roadway	Square Feet of Roadway Prepped	Square Feet of Roadway Paved					
EDC Road prep, planning, grading, roadbase, culverts by EDC Dept of Trans - Leveraged Funding	\$ 1.00	521,127		\$	521,127			3rd ED
Road paving with double chip seal by EDC Department of Transportation	\$ 1.15		521,127	\$	599,296	\$	521,127	ED
Subtotal URP				\$	599,296	\$	521,127	
Component 4 Biomass Chipping (BC)								
	Amount per Cubic Yard	Cubic Yards						
EDC Fire Safe Council cost to chip vegetation	\$ 1.42	250,000		\$	355,000			ED
	Cost per Job	Number of Jobs						
EDC Residents' contribution match (amounts paid to contractors for clearing and stacking brush, and value of residents' in kind labor)	\$ 229.00	2083		\$	477,007			3rd ED
Subtotal BC				\$	355,000	\$	477,007	
Component 5 Low Dust Harvesting Equipment Replacement								
	Incentive Amount	Number						
Incentive for low-dust harvester replacement (self-propelled)	\$ 161,000.00	1		\$	161,000			Yolo
Incentive for low-dust harvester replacement (pull behind)	\$ 49,000.00	4		\$	196,000			Yolo
	Participant Contribution	Number of Incentives						
Incentive program participant share of cost for new low-dust harvester (self-propelled)	\$ 69,000.00	1		\$	69,000.00			PSC* Yolo
Incentive program participant share of cost for new low-dust harvester (pull behind)	\$ 21,000.00	4		\$	84,000.00			PSC* Yolo
Subtotal LDHER				\$	357,000	\$	153,000.00	PSC* Yolo
Component 6 Agricultural Chipping Pilot (ACP)								
	Incentive Amount (per acre)	Acres						
Incentive Amount for Chipping w/ soil incorporation	\$ 400.00	200		\$	80,000			Yolo
Incentive Amount for Chipping w/o soil incorporation	\$ 200.00	400		\$	80,000			Yolo
	Participant Contribution	Number of Acres						
Incentive program participant share of cost w/ soil incorporation	\$ 675.00	200		\$	135,000.00			PSC* Yolo
(estimated cost of chipping w/ soil incorporation is \$850-\$1300, average being \$1,075)								
Incentive program participant share of cost w/o soil incorporation	\$ 650.00	400		\$	260,000.00			PSC* Yolo
(estimated cost of chipping w/ soil incorporation is \$700-\$1,000, average being \$850)								
Subtotal ACP				\$	160,000	\$	395,000.00	PSC*
TOTAL OTHER - (Passthrough via Contract)								
Indirect Charges	Rate	Hours						\$ 13,564,605.90
SMAQMD Federal Negotiated Cost Rate								
TOTAL INDIRECT								
TOTAL FUNDING				\$	7,070,148	\$	6,533,165	\$ 13,603,312.90
								% staff funding 0.55%
TOTAL PROJECT COST				\$	13,603,313			