

**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**

El Dorado Air Quality Management District

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

Dave Johnston
Air Pollution Control Officer

Date: _____

Date: _____

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