

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement	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
NOTICE OF AWARD			
<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 ****