

# GRANT AGREEMENT COVER SHEET

|   |  |                                    |
|---|--|------------------------------------|
| NAME OF GRANT PROGRAM<br><b>Woodsmoke Reduction Program</b>                     |  | GRANT NUMBER<br><b>G18-WSRP-11</b> |
| GRANTEE NAME<br><b>Lake County Air Quality Management District</b>              |  |                                    |
| TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER<br><b>95-6000825</b>          | TOTAL GRANT AMOUNT NOT TO EXCEED<br><b>\$87,647.06</b> |                                    |
| FISCAL GRANT TERM<br><b>FROM: November 18, 2019</b>                             | <b>TO: May 31, 2022</b>                                |                                    |
| PROJECT PERFORMANCE PERIOD OF GRANT AGREEMENT<br><b>FROM: November 18, 2019</b> | <b>TO: June 30, 2022</b>                               |                                    |

This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, Air Resources Board (CARB) Lake County Air Quality Management District (the "Grantee").

- Exhibit A – Grant Provisions
- Exhibit A – Attachment 1 – Grantee Scope of Work
- Exhibit B – Required License
- Exhibit C – Budget Summary
- Exhibit D – Project Schedule
- Exhibit E – Insurance Waiver Forms and Examples
- Exhibit F – Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-2019

Grant is contingent on CARB receipt of a Board Resolution or Minute Order prior to funds being disbursed to Grantee. This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

|  |      |   |      |
|--|------|---|------|
| STATE AGENCY NAME<br><b>California Air Resources Board</b>               |      | GRANTEE'S NAME (PRINT OR TYPE)<br><b>Lake County Air Quality Management District</b>                                      |      |
| SIGNATURE OF ARB'S AUTHORIZED SIGNATORY:                                 |      | SIGNATURE OF GRANTEE<br>(AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION)                     |      |
| TITLE<br><b>Contracts, Procurement, and Grants<br/>Branch Chief, ASD</b> | DATE | TITLE   | DATE |
| STATE AGENCY ADDRESS<br><b>1001 I Street, Sacramento, CA 95814</b>       |      | GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE)<br><b>2617 South Main Street, Lakeport, California 95453</b> |      |

| CERTIFICATION OF FUNDING                                    |  |  |                                  |                                     |                         |
|---|--|--|----------------------------------|-------------------------------------|-------------------------|
| AMOUNT ENCUMBERED BY THIS AGREEMENT<br><b>\$87,647.06</b>   | PROGRAM<br><b>3510000L32</b>                       | PROJECT<br><b>3900-WSRP</b>            | ACTIVITY<br><b>3228WSRP18</b>    |                                     |                         |
| PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT<br><b>\$0.00</b> | FUND TITLE<br><b>Greenhouse Gas Reduction Fund</b> |  |                                  |                                     | FUND NO.<br><b>3228</b> |
| TOTAL AMOUNT ENCUMBERED TO DATE<br><b>\$87,647.06</b>       | (OPTIONAL USE)                                     | FISCAL SUPPLIER ID<br><b>12939</b>     | CHAPTER<br><b>30</b>             | STATUTE<br><b>2018</b>              |                         |
| APPR REF<br><b>101</b>                                      | ACCOUNT/ALT ACCOUNT<br><b>5432000</b>              | REPORTING STRUCTURE<br><b>39007100</b> | SERVICE LOCATION<br><b>88511</b> | FISCAL YEAR (ENY)<br><b>2018/19</b> |                         |

I hereby certify that the California Air Resources Board Budget Office acknowledges that budgeted funds are available for the period and purpose of the expenditure stated above.

|  |                        |
|--|------------------------|
| SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD BUDGET OFFICE: | DATE<br><b>11/7/19</b> |
|--|------------------------|

I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.

|   |                         |
|---|-------------------------|
| SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD LEGAL OFFICE: | DATE<br><b>11/12/19</b> |
|---|-------------------------|

## Woodsmoke Reduction Program – Return Documents Checklist

### Did you attach the following?

- |                                 |                          |
|---------------------------------|--------------------------|
| 1. Grant Agreement Cover Sheet  | <input type="checkbox"/> |
| 2. Grant Agreement              | <input type="checkbox"/> |
| 3. Disbursement Request Form    | <input type="checkbox"/> |
| 4. Advance Payment Request Form | <input type="checkbox"/> |
| 5. Payee Data Record            | <input type="checkbox"/> |
| 6. Governing Board's Approval   | <input type="checkbox"/> |

**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 5/2018)

|   |  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|-------|----------|--|--------------------------------------|--|-----------------------|--------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>1</b>  | <b>INSTRUCTIONS:</b> Type or print the information. Complete all information on this form. Sign, date, and return to the state agency (department/office) address shown in Box 6. Prompt return of this <b>fully completed</b> form will prevent delays when processing payments.<br>Information provided in this form will be used by California state agencies to prepare Information Returns (Form 1099). See next page for more information and Privacy Statement.<br><b>NOTE:</b> Governmental entities, i.e. federal, state, and local (including school districts), are not required to submit this form.   |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>2</b>  | <b>BUSINESS NAME</b> (As shown on your income tax return)  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>SOLE PROPRIETOR, SINGLE MEMBER LLC, INDIVIDUAL</b> (Name as shown on SSN or ITIN) Last, First, MI   |  |       |          |  |                                      |  | <b>E-MAIL ADDRESS</b> |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>MAILING ADDRESS</b>   |  |       |          |  | <b>BUSINESS ADDRESS</b>              |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | CITY   |  | STATE | ZIP CODE |  | CITY                                 |  | STATE                 | ZIP CODE                             |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>3</b>  | <b>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):</b> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>PAYEE ENTITY TYPE</b><br><br><b>CHECK ONE BOX ONLY</b> | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> <b>PARTNERSHIP</b><br/> <input type="checkbox"/> <b>ESTATE OR TRUST</b> </div> <div style="width: 45%;"> <b>CORPORATION:</b><br/> <input type="radio"/> <b>MEDICAL</b> (e.g., dentistry, psychotherapy, chiropractic, etc.)<br/> <input type="radio"/> <b>LEGAL</b> (e.g., attorney services)<br/> <input type="radio"/> <b>EXEMPT</b> (nonprofit)<br/> <input type="radio"/> <b>ALL OTHERS</b> </div> </div>  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> <b>SOLE PROPRIETOR, INDIVIDUAL, OR SINGLE MEMBER LLC</b> (Disregarded Entity)         </div> <div style="width: 45%;"> <b>ENTER SSN OR ITIN:</b> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> </div> </div> |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <small>Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) are required by authority of California Revenue and Tax Code sections 18646 and 18661</small>  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>4</b>  | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> <b>CALIFORNIA RESIDENT</b> - Qualified to do business in California or maintains a permanent place of business in California.<br/> <input type="checkbox"/> <b>CALIFORNIA NON RESIDENT</b> (see next page for more information) - Payments to nonresidents for services may be subject to state income tax withholding.<br/> <div style="margin-left: 20px;"> <input type="radio"/> No services performed in California.<br/> <input type="radio"/> Copy of Franchise Tax Board waiver of state withholding attached.         </div> </div> <div style="width: 45%;"></div> </div>   |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>5</b>  | <b>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.</b>   |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>AUTHORIZED PAYEE REPRESENTATIVE'S NAME</b> (Type or Print)  |  |       |          |  | <b>TITLE</b>                         |  |                       | <b>TELEPHONE</b> (include area code) |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>SIGNATURE</b>   |  |       |          |  | <b>DATE</b>                          |  |                       | <b>E-MAIL ADDRESS</b>                |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>6</b>  | <b>Please return completed form to:</b>  |  |       |          |  |                                      |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>DEPARTMENT/OFFICE</b>   |  |       |          |  | <b>UNIT/SECTION</b>                  |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |
|   | <b>MAILING ADDRESS</b>   |  |       |          |  | <b>TELEPHONE</b> (include area code) |  |                       | <b>FAX</b>                           |  |  |  |  |  |  |  |  |  |  |  |  |
|   | CITY   |  | STATE | ZIP CODE |  | <b>E-MAIL ADDRESS</b>                |  |                       |                                      |  |  |  |  |  |  |  |  |  |  |  |  |



**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 5/2018)

|          |   |
|----------|---|
| <b>1</b> | <p><b>Requirement to Complete the Payee Data Record, STD 204</b></p> <p>A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.</p> <p>Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&amp;TC).</p>  |
| <b>2</b> | <p>Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN. The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.</p>   |
| <b>3</b> | <p>Check only <b>one</b> box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&amp;TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&amp;TC section 18662 and its regulations.</p> <p>Payees must provide <b>one</b> of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.</p>   |
| <b>4</b> | <p><b>Are you a California resident or nonresident?</b></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:<br/>         Withholding Services and Compliance Section: 1-888-792-4900      E-mail address: <a href="mailto:wscs.gen@ftb.ca.gov">wscs.gen@ftb.ca.gov</a><br/>         For hearing impaired with TDD, call: 1-800-822-6268      Website: <a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a></p> |
| <b>5</b> | Provide the name, title, email address, signature, and telephone number of the individual completing this form. Provide the date the form was completed.  |
| <b>6</b> | This section must be completed by the state agency requesting the STD 204.  |

**Privacy Statement**

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

**\*SECTION E: GRANTEE SIGNATURE**

By signing below, I hereby certify that I am the duly appointed, qualified, and acting officer of the herein named Grantee and that the information provided is in all respects true and correct.

|                    |        |
|--------------------|--------|
| Grantee Signature: | Date:  |
| Printed Name:      | Title: |

**SECTION F: CARB SIGNATURES (CARB USE ONLY)**

|  |        |
|--|--------|
| Grant Manager (Signature):                     | Date:  |
| Printed Name:                                  | Title: |
| Branch Chief (Signature):                      | Date:  |
| Printed Name:                                  | Title: |
| Contracts/Procurement/Grant Chief (Signature): | Date:  |
| Printed Name:                                  | Title: |



## **INSTRUCTIONS FOR COMPLETING THIS FORM**

A completed and signed ASD/BFB-365, Advance Payment Request Form, should be sent to the project's assigned Grant Manager. Submission details and instructions are available in the grant agreement.

### **SECTION A: GRANTEE INFORMATION:**

Section A is intended to capture basic information of all Grantees.

Please fill in the following: Legal name of Grantee's organization, Date of request, Grant number as assigned by CARB, Indicate number of request (i.e. if this is your first request please indicate 1 in this block), Contact name, Contact phone, Amount of Project Implementation Funds funds being requested in advance, Amount of Project funds being requested in advance, Total of Project and Project Implementation funds being requested in advance.

### **SECTION B: CARB APPROVAL (CARB USE ONLY)**

Please leave the boxes identified as CARB Use Only blank. All requesters will be notified of the amount approved.

### **SECTION C: SMALL AIR DISTRICTS**

If the Grantee is a Small Air District, please check the box in Section C and move on to Section E.

### **SECTION D: ENTITIES NOT IDENTIFIED AS SMALL AIRDISTRICTS**

Large Air Districts, Non-Profits, and any other Grantee not identified as a Small Air District must provide the documents identified in Section D.

### **SECTION E: GRANTEE SIGNATURE**

Please have the authorized officer of the Grantee's agency sign this section and provide the date of signature, printed name and title.

### **SECTION F: FOR CARB USE ONLY**

Once all documents are attached and the request form is complete, please submit the packet to the CARB Grant Manager identified in the executed grant agreement to obtain the appropriate signatures.

STATE OF CALIFORNIA  
California Environmental Protection Agency  
CALIFORNIA AIR RESOURCES BOARD  
(REV 03/18)

**2018/2019 Woodsmoke Reduction Program  
GRANT DISBURSEMENT REQUEST FORM**

| General Information           |  |                             |                |                   |
|-------------------------------|--|-----------------------------|----------------|-------------------|
| Project Name                  | Lake 2018/2019 Woodsmoke Reduction Project         |                             | Grant Number   | G18-WSRP-11       |
| Grantee Name                  | Lake County Air Quality Management District        |                             | Amendment #    |                   |
| Contact Person                | Doug Gearhart                                      |                             | Fiscal Year    | 2018/2019         |
| Mailing Address               | 2617 South Main Street, Lakeport, California 95453 |                             | Disbursement # | 1                 |
| Phone Number                  | 707-263-7000                                       |                             | FAX Number     |                   |
| Disbursement Request          |  |                             |                |                   |
|                               | Original Grant                                     | Total Previous Disbursement | This Request   | Remaining Balance |
| Project Funds                 | \$ 79,411.77                                       | \$0                         | \$ 79,411.77   | \$0               |
| Project Implementation Funds: | \$ 8,235.29  | \$0                         | \$ 8,235.29    | \$0               |
| Total                         | \$ 87,647.06                                       | \$0                         | \$ 87,647.06   | \$0               |

Documentation attached for disbursement justification:

Project Funds ☐  
Processing Fees ☐

Attachments: \_\_\_\_\_

*I certify under penalty of perjury that the information contained in this Grant Disbursement Request Form and all attachments is correct and complete and is in accordance with the Grant Agreement. In addition, I hereby authorize the California Air Resources Board to make any inquiries to confirm this information.*

Authorized Official

Doug Gearhart

Air Pollution Control Officer

*Print Name*

*Title*

*Signature*

*Date*

| FOR STATE USE ONLY            | Date Request Received by CARB: | Date to Accounting: | Date to SCO: |
|-------------------------------|--------------------------------|---------------------|--------------|
| CARB Project Liaison Approval | Kasia Turkiewicz               |                     |              |
|                               | <i>Print Name</i>              | <i>Signature</i>    | <i>Date</i>  |
| Grant Manager Approval        |                                |                     |              |
|                               | <i>Print Name</i>              | <i>Signature</i>    | <i>Date</i>  |
|                               | Total Disbursement:            | Fund:               | PCA:         |
|                               | Total Disbursement:            | Fund:               | PCA:         |
|                               | Total Disbursement:            | Fund:               | PCA:         |



**EXHIBIT A**  
**Grant Provisions**

**1. GRANT SUMMARY AND CONTACT INFORMATION**

- 1.1. The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the following documents:
  - a. *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation* (Program Guidelines) dated May 21, 2019, and found in Exhibit F of this Grant Agreement; and
  - b. The most recent version of the Climate Investments' Cap-and-Trade Auction Proceeds' *Draft Funding Guidelines for Agencies that Administer California Climate Investments* (Funding Guidelines), found on the Cap-and-Trade Auction Proceeds Funding Guidelines for Administering Agencies website at <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies> and incorporated by reference herein.
- 1.2. The Woodsmoke Reduction Program (Program) is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment-particularly in disadvantaged communities. The Program as implemented at the air pollution control district or the air quality management district (District) is referred to as the Project.
- 1.3. California Climate Investments (CCI) logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits. Grantee agrees to acknowledge the California Climate Investments program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: 'This publication (or project) was supported by the "California Climate Investments" (CCI) program. Guidelines for the usage of the CCI logo can be found at <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.





#### 1.4. Grant Summary

Program Title: Woodsmoke Reduction Program 2018-2019

Grant Funding Amount: \$ 87,647.06

The Woodsmoke Reduction Program is a GGRF-funded program designed to replace high-polluting, uncertified wood stoves, wood inserts, and fireplaces used for primary home heating with cleaner burning, more efficient home heating devices. The 2018-2019 GGRF appropriation committed \$3,000,000 for this Program. The Program will be administered by CARB and implemented by the District in coordination with the California Air Pollution Control Officers Association (CAPCOA). The role of CAPCOA is to centralize and standardize Program implementation. This Program will further the goals of Assembly Bill 32 (Nunez, Chapter 488, Statutes of 2006) and related statutes (comprising Health and Safety Code Division 25.5) to reduce greenhouse gas emissions, as well as provide important co-benefits in reducing black carbon emissions and improving air quality.

Residents using uncertified wood stoves, wood inserts, or fireplaces as a primary home heating source in Districts awarded Program funds are eligible for incentives. The incentive amount will vary depending on the location of the residence and the household income, with households in disadvantaged or low income communities or low income households qualifying for higher incentives. The Program will include an outreach and educational component to ensure that households receiving incentives make informed decisions about how to burn and what to burn in order to maximize the efficiency of the device and minimize pollution.

#### 1.5. Grant Parties and Contact Information

- a. This grant is from CARB to the Lake County Air Quality Management District (hereinafter referred to as Grantee). The Grantee will perform the activities outlined in Section 4, Scope of Work, and Attachment I, Grantee Scope of Work.
- b. The CARB Program Liaison is Kasia Turkiewicz or other designee appointed by CARB. Correspondence regarding this Program shall be directed to:

Kasia Turkiewicz  
California Air Resources Board  
Air Quality Planning and Science Division  
Post Office Box 2815  
Sacramento, California 95812  
Phone: (916) 445-6497  
Email: [kasia.turkiewicz@arb.ca.gov](mailto:kasia.turkiewicz@arb.ca.gov)

- c. The Grantee Liaison is Doug Gearhart or other designee appointed by Grantee. Correspondence regarding this Program must be directed to:

Mr. Doug Gearhart  
Air Pollution Control Officer  
Lake County Air Quality Management District  
2617 South Main Street  
Lakeport, California 95453  
Phone: (707) 263-7000  
Email: [dougg@lcaqmd.net](mailto:dougg@lcaqmd.net)

- 1.6. Definitions for terms used in this Grant Agreement can be found in Section 16.

## **2. GOVERNING BOARD APPROVAL**

- 2.1. Prior to the execution of this Grant Agreement, the Grantee is required to submit to CARB a resolution, minute order, or other approval of its governing board that authorizes the Grantee to enter into this Grant Agreement and that commits the Grantee to comply with the requirements of this Grant Agreement. Alternatively, the Grantee and CARB may execute this Grant Agreement before a Grantee has submitted this governing board resolution, minute order, or other approval to CARB; however, the Grantee may not perform work under this Grant Agreement, and no funding will be disbursed until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB.

## **3. PROGRAM PERIOD**

- 3.1. Performance of work or other expenses billable to CARB under this Grant may commence after full execution of this Grant Agreement by both parties and Grantee's submission to CARB of its governing board's resolution, minute order, or other approval, described in Section 2 of this Grant Agreement. Performance on this Grant ends once the Grantee has submitted a draft final report (Project Closeout) or if this Grant Agreement is terminated, whichever is earlier. If Grantee is selected for Project



Outcome Reporting, as described in Section 12.2.e, Grantee agrees to collect the data for a full tracking period of eighteen (18) months after the start of tracking. Project Outcome tracking and reporting may extend beyond Project Closeout.

- 3.2. Upon full expenditure of grant funds, the Grantee shall submit a Project Closeout report to the CARB Program Liaison (see Section 12.2.d of this Grant Agreement) after Program completion.
- 3.3. Funds that Grantee has not liquidated by June 30, 2022 must be returned to CARB within ninety (90) days, or by September 30, 2022. Expenditure of Project funds granted may not be reduced due to any loss incurred in an insured bank or investment account.
- 3.4. If additional funding becomes available, the CARB Executive Officer in his sole discretion retains the authority to amend this Grant to provide additional disbursement to the Grantee to complete tasks related to the Scope of Work for this Grant Agreement.

#### **4. SCOPE OF WORK**

This section defines the nature of the Program and respective duties and requirements of CARB, the Grantee, and CAPCOA in implementing this Grant Agreement.

- 4.1. The Program will provide incentives towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary space heating with the Program-eligible replacement devices listed in Table 1.
- 4.2. Prior to May 15, 2020 wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hour (g/hr), that are certified to either U.S. EPA "Step 1" or "Step 2" New Source Performance Standards (NSPS), qualify for the Program.<sup>1</sup> Starting on May 15, 2020 only wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hours, that are certified to U.S. EPA "Step 2" NSPS, will be eligible for the Program.<sup>2</sup> Device eligibility will be determined at the time of application review and approval. The non-wood burning devices listed in Table 1 are eligible for the duration of the Program.

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<sup>1</sup> Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>

<sup>2</sup> The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.



Table 1. Replacement devices eligible for the Program

| Before May 15, 2020   | On or after May 15, 2020   |
|---|--|
| Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to either U.S. EPA "Step 1" or "Step 2" NSPS <sup>3</sup> | Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to U.S. EPA "Step 2" NSPS <sup>4</sup> |
| Natural gas stove or insert   |  |
| Propane stove or insert   |  |
| Electric stove or insert  |  |
| Ductless mini-split heat pump   |  |

4.3. CARB is responsible for the following:

- a. Participating in meetings with Grantee to discuss Program refinements and guide the administration of the Program.
- b. Reviewing and, if appropriate, approving Project elements provided by Grantee.
- c. Reviewing and, if appropriate, approving all grant disbursement requests and distribution of funds to Grantee.
- d. Working with Grantee and CAPCOA to develop templates for data and report submittals at both Program and Project levels.
- e. Providing Project oversight in conjunction with Grantee and CAPCOA.
- f. Ensuring Grantee complies, and ensures Project compliance, with applicable requirements of the Program Guidelines, Funding Guidelines, and this Agreement.
- g. Reviewing data and reports submitted by Grantee.
- h. Submitting semi-annual reports to the California Climate Investment Reporting and Tracking System (CCIRTS).
- i. Reviewing a sufficient number of Projects (number determined by CARB Program Liaison) each year to ensure proper Program implementation as directed by both Program and Funding Guidelines.

<sup>3</sup> Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

<sup>4</sup> The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.



4.4. Grantee is responsible for the following:

Developing and implementing Project tasks as described below and in Attachment I, Grantee Scope of Work. Minimum duties and requirements of Grantee include:

- a. Implementing the Project as outlined in the Program Guidelines.
- b. Participating in a Project kick-off meeting or conference call with CARB staff and CAPCOA before work begins. The purpose of the initial meeting will be to discuss the overall plan, Program schedule, Project reporting, and any issues that may need to be addressed.
- c. Participating in more frequent meetings that may be scheduled at the discretion of the CARB Program Liaison, CAPCOA, and the Grantee.
- d. Ensuring that all Project tasks are completed during the period of this grant.
- e. Apprising the CARB Program Liaison of any delays in implementing the scope of work below.
- f. Overseeing the Project budget and funds.
- g. Abiding by the insurance requirements in Section 10 of this Grant Agreement.
- h. Collecting and maintaining records in accordance with Section VI of the Program Guidelines as well as Section 7 of this Grant Agreement to comply with reporting and program review requirements.
- i. Ensuring that only licensed professionals will be used to perform services under this Grant Agreement. Professional installers could participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Exhibit B lists acceptable licenses for each type of installation.
- j. Coordinating with CAPCOA on the submission of required reports as specified in Section 12 of this Grant Agreement.
- k. Promoting the Program with the emphasis on disadvantaged and low-income communities and low-income households with the goal to distribute 75 percent of Project funds to these priority populations.

4.5. CAPCOA is responsible for the following:

- a. Serving as an intermediary between CARB and Grantee in Project implementation.
- b. Monitoring Grantee's progress in Project implementation and apprising CARB Program Liaison of any problems or delays.

- c. Communicating regularly with CARB and Grantee on Project implementation.
- d. Acting as a clearing house to facilitate the exchange of information, including Program-related forms, examples of advertisements, examples of reports and other related information, between Grantee and other Districts participating in the Program.
- e. Coordinating with Grantee on the submission of required reports consistent with Section 12.
- f. Submitting required reports to CARB consistent with Section 12.

## 5. FINANCIAL MATTERS AND GRANT DISBURSEMENTS

### 5.1. Budget

- a. The maximum amount of this Grant is **\$ 87,647.06**. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this Project is shown in Exhibit C. Grant Disbursement Requests for the total Grant amount must not exceed the amount shown in Exhibit C. Project implementation costs also must not exceed the amount shown in Exhibit C. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- c. The total funding may be reallocated by CARB at CARB's sole discretion in the event that the Grantee requests less than the total funds allocated for the Project for all Project activities performed during the term of the Grant Agreement.

### 5.2. Advance Payment

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Grantee acknowledges that CARB is in the process of promulgating additional Advance Payment regulation. Grantee agrees that this Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments.



CARB may provide advance payments to Grantee of a grant program or project if CARB determines all of the following.

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
  - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
  - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the Grant Agreement.
  - iii. Submits a spending plan to CARB for review prior to receiving the advance payment. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs
  - iv. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - v. Reports to CARB any material changes to the spending plan within thirty (30) days.
  - vi. Agrees to not provide advance payment to any other entity.
- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. The Grantee shall provide a money transfer confirmation within forty-five (45) days upon the receipt of a notice from CARB.
- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- h. The Grantee assumes legal and financial risk of the advance payment.



- i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in Sections 4, 8, 9, and 17 or will be returned to CARB.
- j. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section 12 of this Grant Agreement.
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within ninety (90) days following the end date of this Grant Agreement term on June 30, 2022, or the reversion date of the appropriation, whichever comes first.

#### 5.3. Grant Disbursement

All disbursements from the total Grant award will be made following CARB's review and approval of any Grant Disbursement Request Forms.

- a. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code Section 927, et. Seq.

### 6. **SUSPENSION OF PAYMENT AND GRANT AGREEMENT TERMINATION**

- 6.1. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the Grant Agreement has been terminated. If the Grantee chooses to continue work on the Project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the Grant Agreement. If CARB rescinds the suspension order and does not terminate the Grant Agreement, CARB at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the Grant Agreement.
- 6.2. CARB reserves the right to terminate this Grant Agreement upon thirty (30) days' written notice to the Grantee, if CARB determines that the Program has not progressed satisfactorily after conducting a Project review (Section 11.5 of this Grant Agreement) or if the Grantee has violated the grant agreement and the Grantee and CARB have been unable to agree on modifications to the Project. In case of early termination, the Grantee will submit a Progress Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section 12.
- 6.3. CARB reserves the right to immediately terminate this Grant Agreement in accordance with general grant provisions outlined in Section 15.



- 6.4. CARB or its designee may recoup funds that were received based upon misinformation or fraud, or for which a Grantee, District, or subcontractor is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in future projects, due to non-compliance with Program requirements. Examples of Program deficiencies include.
- a. Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
  - b. Installing a device not eligible for the Program;
  - c. Issuing an Enhanced Incentive to an ineligible Applicant;
  - d. Failing to properly document each change-out;
  - e. Failing to properly dispose of the old stove;
  - f. Allowing an Applicant to install his/her replacement device; and
  - g. Failing to submit required reports.

## **7. PROJECT RECORDS**

- 7.1. Grantee will develop and maintain accounting procedures as further described below. Project records include but are not limited to Grantee's financial and other records. All Project records must be retained by the Grantee for a period of three (3) years after the final Project funds liquidation date of June 30, 2022 and shall be stored in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection. All Project records are subject to program review and State audit pursuant to Section 13 of this Grant Agreement. Upon completion of the third (3<sup>rd</sup>) year of record retention, the Grantee shall take all reasonable steps to dispose, or arrange for the disposal, of records containing Personally Identifiable Information by (a) shredding, (b) erasing, or (c) otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means.
- 7.2. Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee must:
- a. Establish an official file for the Project that will adequately document all significant actions relative to the Project.
  - b. Establish separate accounts that will adequately and accurately depict all amounts received and expended on the Project.
  - c. Establish an accounting system that will adequately depict final total costs of the Project, including both direct and indirect costs.
- 7.3. Other records include all deliverables required under Section 12 of this Grant Agreement and those specified in the Program Guidelines.

- 7.4. Grantee will ensure that applicants are made aware that information collected under the auspices of this Program, with the exception of confidential or personally identifiable information as noted in Section 15.23 of this Grant Agreement, may be made publically available to the extent allowed by federal, State, and local laws and regulations.

## **8. DOCUMENTATION OF USE OF PROJECT FUNDS**

- 8.1. The Grantee must maintain documentation of all Project funds including the following:
- a. Application, including affidavit of primary source of heat;
  - b. Verification of old device eligibility;
  - c. Verification of new device eligibility;
  - d. Verification of income (if applicable);
  - e. Copy of final permit (City, County, or State);
  - f. Photographic evidence of change-out completion, including "before" and "after" photos showing the devices in relation to the room where they were/are installed;
  - g. Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable;
  - h. Verification that the resident was trained on device operation and maintenance and, if applicable, following best practices in wood storage and wood burning for residential space heating; and
  - i. Invoices from installer and a verification of payment.

If selected for a Program Review, Grantee must make this documentation available to CARB staff. An abbreviated listing of completed change-outs and associated costs must be submitted to CARB with each quarterly Fiscal Report.

## **9. DOCUMENTATION OF USE OF PROJECT IMPLEMENTATION FUNDS**

- 9.1. Project implementation funds may be used for implementing the tasks identified in the Scope of Work. The total cost of implementing the Project must not exceed the amount specified in Exhibit C, Budget Summary. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- 9.2. Project implementation costs include cost of labor and expenses directly related to implementing the Project (direct cost) as well as costs not tied directly or solely to the Project (indirect costs also referred to as



administrative costs).

- a. Direct project implementation costs, directly related to implementing the Project, include the following:
  - i. The Grantee's personnel costs;
  - ii. Fringe benefit costs;
  - iii. Operating costs (including rent, supplies, and equipment);
  - iv. Travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>5</sup>;
  - v. Overhead;
  - vi. Consultant fees (if pre-approved by CARB); and
  - vii. Printing, records retention, and mailing costs.
- b. Indirect project implementation costs, not tied directly or solely to the Project, also referred to as administrative costs, include the following:
  - i. Distributed administration and general administrative services;
  - ii. Non-project related contracts or subscriptions;
  - iii. Rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project; and
  - iv. Any other costs that are not directly and fully incurred to support the grant.

9.3. The Grantee must maintain documentation of all direct and indirect Project implementation costs, including the following:

- a. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to Project administration.
- b. Administration funds for subcontractor(s) must be documented with copies of the contract and any applicable invoices.
- c. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices.
- d. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel

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<sup>5</sup> Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

and per diem amounts that are current as of the date costs are incurred by the Grantee; and

- e. If indirect costs are used to document administration funds for the Project, the Grantee must indicate how these costs are determined.
- 9.4. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three (3) years after the final Project funds liquidation date of June 30, 2022.
- 9.5. The above documentation must be provided to CARB in the Final Report.

## **10. INSURANCE REQUIREMENTS**

### **10.1. General Provisions**

- a. Coverage Term: Coverage needs to be in force for the complete term of the Project agreement. If insurance expires during the term of the Project agreement, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the Project agreement.
- b. Policy Cancellation or Termination and Notice of Non-Renewal: Installer/contractor is responsible to notify the State within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event installer/contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Project agreement upon the occurrence of such event, subject to the provisions of this Grant Agreement.
- c. Deductible: Installer/contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause: Any required insurance contained in the Project agreement shall be primary, and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the installer/contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements: Any required endorsement must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.



- g. Inadequate Insurance: Inadequate or lack of insurance does not negate the installer/contractor's obligations under the Agreement.
- h. Satisfying an SIR: All insurance required by this Grant Agreement or the Project agreements must allow the State to pay and/or act as the installer/contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the installer/contractor's agent in satisfying any SIR is at the State's discretion.
- i. Available Coverages/Limits: All coverage and limits available to the installer/contractor shall also be available and applicable to the State.
- j. Subcontractors/Manufacturers: In the case of installer/contractor's utilization of subcontractors/manufacturers to completed the contracted scope of work, installer/contractor shall include all subcontractors/manufacturers as insured's under installer/contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of installer/contractor.

10.2. Commercial General Liability

Installer/contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Project agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the installer/contractor's limit of liability. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

10.3. Automobile Liability

Installer/contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

In the event that the installer/contractor does not have any commercially owned motor vehicles, a no-owned autos waiver must be completed and retained in District files. A sample waiver form is included in Exhibit E of this Grant Agreement.

10.4. Workers' Compensation and Employers' Liability

Contractor must furnish to the State a certificate of insurance to remain in effect at all times during the term of this Agreement. Contractor shall maintain statutory workers' compensation and employers' liability for all its



employees who will be engaged in the performance of the Agreement. Employers' liability limits of \$1,000,000 are required. The policy must include:

**When work is performed on State owned or controlled property the Workers' Compensation policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided.**

In the event that the installer/contractor does not have any employees, a worker's compensation statement of exemption form must be completed and retained in District files. An example exemption form is included in Exhibit E of this Grant Agreement.

## **11. PROGRAM MONITORING**

- 11.1. Any changes to the Scope of Work or timeline for the Project requires the prior written approval of the CARB Program Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment.
- 11.2. The Grantee must notify the CARB Program Liaison and Grant Coordinator immediately, in writing, if any circumstances arise (technical, economic, or otherwise), which might jeopardize completion of the Project, or if there is a change in key Project personnel.
- 11.3. The Grantee must coordinate with CAPCOA to provide information requested by the CARB Program Liaison that is needed to assess progress in completing tasks and meeting the objectives of the Project.
- 11.4. Any change in budget allocations, re-definition of deliverables, or extension of the Project schedule must be requested in writing to the CARB Program Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.
- 11.5. CARB will review a sufficient number of Projects each year to ensure proper Program implementation. If Grantee is selected for Project review, CARB will contact Grantee Liaison at least thirty (30) days in advance. The Project review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The Grantee will be expected to assign an employee familiar with the Project and accounting procedures to assist the CARB reviewer(s) and have the Project records, including cancelled warrants, readily available for inspection.



## **12. REPORTING**

### **12.1. Data Flow**

- a. The Grantee must coordinate with CAPCOA on the submittal of required Project and fiscal reports. If requested by CARB, Grantee will be responsible for submitting reports directly to CARB.

### **12.2. Project Reporting**

- a. Project data are reported during each semi-annual reporting cycle. The reporting cycles cover December 1 through May 31 and June 1 through November 30. The reports are due to CARB on June 1 and December 1.
- b. Grantee shall submit an initial Project report called Awarded Report upon entering into a Project agreement with CARB. At this stage, Grantee must submit data with Project details and expected benefits. This report is submitted once during the first reporting cycle after signing the Agreement in a format agreed upon between the CARB Program Liaison and the Grantee.
- c. The Grantee shall submit Implementation Reports each reporting cycle. The Implementation Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and will contain information on each change-out completed during the reporting cycle.
- d. When the Project is complete, the Grantee shall submit a Project Closeout Report. The Project Closeout Report shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee. This report shall be submitted upon completion of the Project at the next reporting cycle.
- e. A subset of Projects (at least twenty-five (25) percent) will be selected by CARB for Project Outcome Reporting. If Grantee is selected for Project Outcome Reporting, Grantee shall submit a report in a format agreed upon between the CARB program Liaison and the Grantee. Project outcome tracking ends eighteen (18) months after the start of tracking. If selected, Grantee agrees to collect the data for a full tracking period, which may end after the Project Closeout.

### **12.3. Fiscal Reporting**

- a. Following receipt of funds, Grantee will submit quarterly fiscal accounting reports (Fiscal Report) to CAPCOA detailing expenditure of funds by Grantee, including interest accrued on any Project funds received. The Fiscal Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and needs to include an itemized invoice of all expenditures incurred during the quarter.

### **13. OVERSIGHT AND ACCOUNTABILITY**

The Grantee must comply with all oversight responsibilities identified herein.

- 13.1. CARB or its designee may recoup Project funds which were received based upon misinformation or fraud, or for which a Grantee or its subcontractor(s), or a participant in the Project is in significant or continual non-compliance with the terms of this Grant Agreement or state law.
- 13.2. CARB or its designee reserves the right to review the Project at any time during the duration of this Grant Agreement the Grantee's costs of performing the Grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.
- 13.3. The Grantee shall retain all records referred to above and provide them for examination and Project review or State audit for three (3) years after the final Project funds liquidation date of June 30, 2022.
- 13.4. The Grantee shall develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, and of all funding sources.
- 13.5. CAPCOA will serve in an oversight role to centralize and standardize Program implementation. Grantee shall coordinate with CAPCOA on the submission of required reports.

### **14. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

- 14.1. CARB has determined that the Project funded by this Grant Agreement is exempt from CEQA; Grantee should ensure that the Project is implemented consistent with the Grant Agreement to maintain CEQA exempt status.

### **15. GENERAL PROVISIONS**

- 15.1. **Potential sub-grantee:** Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between CARB and any sub-grantees, and no sub-grant shall relieve Grantee of its responsibilities and obligations under this Grant Agreement. Grantee agrees to be as fully responsible to CARB for the acts and omissions of its sub-grantees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Grantee. Grantee's obligation to pay its sub-grantees is an independent obligation



from CARB's obligation to make payments to Grantee. As a result, CARB shall have no obligation to pay or to enforce the payment of any moneys to any sub-grantee. Grantee shall not sub-grant any services under this Grant Agreement without the prior approval in writing of CARB.

- 15.2. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 15.3. **Assignment:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB, in writing.
- 15.4. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal, State, and local laws, rules, guidelines, regulations, and requirements.
- 15.5. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
- 15.6. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within thirty (30) days of when the issue is first raised with CARB staff in writing shall be subject to resolution by the CARB Executive Officer, or designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
- 15.7. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 15.8. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
- 15.9. **Force majeure:** Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly,



from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.

- 15.10. **Governing law and venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
- 15.11. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee or any sub-grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
- 15.12. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract, or sub-grantee's contract, for work on the Program or any project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- 15.13. **Independent contractor:** The Grantee, and its agents and employees, and sub-grantees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
- 15.14. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee, sub-grantees, and their contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter



5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement

- 15.15. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
- 15.16. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 15.17. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
- 15.18. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of Projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement, within ten (10) days.
- 15.19. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
- 15.20. **Waiver of rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.
- 15.21. **Availability of funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
- 15.22. **Confidentiality:** No record that has been designated as confidential by CARB, or is the subject of a pending application of confidentiality, shall be



disclosed by the Grantee. Any confidential information or data submitted to CARB by the Grantee may be shared with other divisions within CARB.

- 15.23. **Personally identifiable information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.
- 15.24. **Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. This does not prohibit Grantee from promoting the Program. Grantee shall follow the guidelines acknowledging CCI funding and logo use outlined in Section 1.3.
- 15.25. **Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State to audit records and interview staff in any Grant related to performance of this Agreement.

## 16. DEFINITIONS

- 16.1. **AB 32:** Assembly Bill 32, Global Warming Solutions Act, Nuñez, Chapter 488, Statutes of 2006.
- 16.2. **Administrative Costs (Also Referred to as Indirect Project Implementation Costs):** A subset of project implementation costs, not tied directly or solely to the Project, such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the Project; or any other costs that are not directly and fully incurred to support the grant.
- 16.3. **Applicant:** Individual resident requesting replacement of older wood stove or device.



- 16.4. **Awarded Project Report:** The initial Project report with Project details and expected benefits submitted to CAPCOA during the first reporting cycle after signing this Agreement following the reporting requirements in Section 12 of this Grant Agreement.
- 16.5. **CAPCOA:** California Air Pollution Control Officers Association.
- 16.6. **CARB:** California Air Resources Board.
- 16.7. **CCI:** California Climate Investments
- 16.8. **Change-out:** Replacement of individual wood stove (or other device).
- 16.9. **Direct Project Implementation Costs:** Costs of direct labor and expenses associated with implementing the Project. Examples include: outreach and education, application review and processing, processing payments, and data reporting.
- 16.10. **District(s):** Local air pollution control districts or air quality management districts.
- 16.11. **Enhanced Incentive:** A higher incentive given to low-income households and households located in disadvantaged or low-income communities.
- 16.12. **Funding Guidelines:** California Climate Investments' Cap-and-Trade Auction Proceeds' *Funding Guidelines for Agencies that Administer California Climate Investments* released on August 30, 2018.
- 16.13. **GGRF:** Greenhouse Gas Reduction Fund.
- 16.14. **Grantee:** Grant recipient.
- 16.15. **Implementation Costs:** Costs of implementing the Project including direct labor and expenses as well as any indirect expenses (also referred to as administrative expenses).
- 16.16. **Implementation Report:** An update on all incentives/upgrades that have been installed since the last reporting cycle for each change-out funded and overseen by Grantee. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.17. **Incentive:** The amount of funding given to an applicant to replace an uncertified wood stove, wood insert, or fireplace. The incentive amount will be determined by each District in coordination with CAPCOA but cannot exceed \$5,000.
- 16.18. **Indirect Project Implementation Costs:** Also defined as Administrative Costs.
- 16.19. **Installer:** A licensed professional contracted to remove the uncertified wood stove or insert and install the replacement device, possessing an appropriate active license, consistent with Exhibit B, issued by the California Contractors State License Board throughout the life of the contract, and have a minimum of three (3) years of experience of installing home heating devices to manufacturer specifications.

- 16.20. **Program:** Woodsmoke Reduction Program
- 16.21. **Program Guidelines:** CARB's May 21, 2019 *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation*.
- 16.22. **Project:** Program implementation at the District level.
- 16.23. **Project Agreement:** The agreement entered into between the Grantee and any sub-grantee to implement the Program at the District level.
- 16.24. **Project Closeout:** The final report submitted by the Grantee to the CARB Program Liaison at the next reporting cycle after all funds have been expended or after the legal agreement between CARB and Grantee has ended.
- 16.25. **Project Outcome:** The report on outcomes of operational projects for at least twenty-five (25) percent of Projects. Project outcome tracking ends eighteen (18) months after the start of tracking. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.26. **Reporting Cycle:** Span of time used to report on Program progress. Program data are submitted semi-annually for the reporting cycles covering December 1 through May 31 (due to CARB June 1) and June 1 through November 30 (due to CARB December 1).
- 16.27. **Subcontractor:** District or Installer.
- 16.28. **Sub-grantee:** District or Installer or other entity that has entered into an agreement with Grantee or District(s) to perform services related to this Grant Agreement.



**EXHIBIT A, Attachment I**  
**Grantee Scope of Work**

1. Grantee will provide incentives in Grantee's jurisdiction towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary residential heating with the Program-eligible replacement devices listed in Section 4 Table 1.
2. Grantee will ensure that incentives do not exceed the actual total change-out cost and are limited to a maximum of \$5,000 per property or household.
3. Grantee will promote the Program and help households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device.
4. Grantee's goal should be to distribute seventy-five (75) percent of total funding to residents of disadvantaged and low-income communities and low-income households.
5. Grantee will keep records of each change-out, including the following:
  - a. Application including address, priority population designation and/or income verification (if applicable), affidavit of primary source of heat, and proof of eligible existing stove.
  - b. Verification of installation including proof of installer eligibility, proof of final inspections/permits, and proof of eligible replacement stove.
  - c. Verification of destruction of old stove and, if applicable, rendering the fireplace inoperable.
  - d. Verification of training.
  - e. Verification of payment and invoices from installers.
6. Grantee will provide a subset of this information, consistent with templates provided by CARB, to the CAPCOA coordinator for collection and preparation of Progress Reports to be submitted to CARB.
7. Grantee will ensure that change-out recipient is trained on proper wood storage and wood burning practices (if applicable) and device operation and maintenance.
8. Grantee will coordinate with CAPCOA on the preparation of required reports consistent with Section 12.

## EXHIBIT B

### Required License

Professional installers may participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Acceptable license(s) for each type of installation are listed below.

| License Class | Equipment Allowed to Install   | Special Conditions   |
|---------------|--|--|
| C61/D34       | <ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert</li><li>• Electric, propane, or natural gas stove/insert</li></ul>                       | As long as there are no modifications/alterations to the structure. Furthermore, a C61/D34 contractor cannot perform any masonry facing work associated with the stove/insert installation.  |
| C20           | <ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert</li><li>• Electric, propane, or natural gas stove/insert,</li><li>• Heat pump</li></ul>  |  |
| B             | <ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert,</li><li>• Electric, propane, or natural gas stove/insert,</li><li>• Heat pump</li></ul> | A "B" contractor is allowed to install listed heating equipment if the installation was part of a larger project that included at least two unrelated trades. Framing and carpentry does not count towards the count of unrelated trades. Without performing additional trades or holding additional license, a B-contractor would be required to subcontract with an individual holding a C61/D34 or C20 License. |



## Exhibit C

### Budget Summary

| Category                      | Subcategory                     | Grant Amount |
|-------------------------------|---------------------------------|--------------|
| Project Funds                 |                                 | \$ 79,411.77 |
| Project Implementation Funds* | Total                           | \$ 8,235.29  |
|                               | Direct                          | \$ 4,117.65  |
|                               | Indirect (Administrative Funds) | \$ 4,117.65  |
| Total Grant Funds             |                                 | \$ 87,647.06 |

\* Project implementation costs must not exceed the Total amount shown in Exhibit C. All of the Project Implementation Funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C for Indirect (Administrative Funds).

## Exhibit D

### Project Schedule

| Task | Milestone Description   | Timeline  |
|------|---|---|
| 1    | Execute Grant Agreement   | No later than April 1, 2020                         |
| 2    | Transfer funds to Grantee   | No later than June 30, 2020                         |
| 3    | Submit "Awarded" Reports to CARB  | June 1, 2020 or<br>December 1, 2020                 |
| 4    | Begin project installations   | Upon receiving funds                                |
| 5    | Submit "Implemented" Reports  | Each reporting cycle                                |
| 6    | Submit "Project Outcome" Reports for subset of projects, as requested by CARB Liaison       | Each reporting cycle                                |
| 7    | Submit quarterly fiscal accounting reports  | Each calendar quarter                               |
| 8    | Complete project installations  | June 30, 2022                                       |
| 9    | Submit "Closeout" report upon completion of the project at the next reporting cycle         | No later than<br>December 1, 2022                   |
| 11   | Submit final "Project Outcome" Reports for subset of projects, as requested by CARB Liaison | Up to 18 months after<br>installations are complete |



## **Exhibit E**

### **Insurance Waiver Forms and Examples**

#### Automobile Liability

**Contractor's name and address on company stationary**

Current Date

Department Name

Re: No Owned Autos

To Whom It May Concern:

Please know and mark your records to show that (contractor's name) does not own any automobiles.

Should (contractor's name) purchase an auto(s) during the term of its contract with (Department Name) it will obtain owned auto coverage and provide evidence to (Department Name).

Sincerely,

**Name/Title of Owner, Member, Partner or Corporate Owner of the Contractor**

## Exhibit E: Insurance Waiver Forms and Examples (continued)

### Workers' Compensation and Employers' Liability

#### Workers' Compensation Statement of Exemption

Contractor must submit this form to State of California, certifying under penalty of perjury that he or she does not employ anyone in a manner that is subject to the Workers' Compensation laws of California (see Business and Professions Code Section 7125).

#### DO NOT SUBMIT THIS FORM IF YOU HAVE EMPLOYEES

For exemption from workers' compensation, you must complete the requested information and sign form.

Please type or print neatly and legibly in black or dark blue ink.

#### SECTION 1 – REQUIRED INFORMATION

|  |                   |               |            |
|--|-------------------|---------------|------------|
| CONTRACTOR'S NAME  | CONTRACT NUMBER   | STATE         | DEPARTMENT |
| MAILING ADDRESS <small>number/street or P.O. box</small>         | city              | state         | ZIP code   |
| STREET ADDRESS <small>number/street only – NO P.O. boxes</small> | city              | state         | ZIP code   |
| PHONE NUMBER   | CELL PHONE NUMBER | EMAIL ADDRESS |            |

#### SECTION 2 – REQUIRED CHECK BOX

YOU MUST CHECK ONLY ONE OF THE BOXES BELOW.

- ☐ I do not employ anyone in the manner subject to the workers' compensation laws of California.
- ☐ I am an out-of-state contractor, and I do not hire employees who reside in California. (You must provide a certificate of insurance from your workers' compensation insurance carrier).

#### SECTION 3 – REQUIRED SIGNATURE

I certify under penalty of perjury under the laws of the State of California that the information provided on this exemption statement is true and accurate. I understand that, upon employing anyone in a manner that is subject to the workers' compensation law of the State of California, the claim of exemption executed under this form will no longer be valid. I also understand that, as soon as I employ anyone subject to California's workers' compensation law, I must obtain a Certificate of Workers' Compensation Insurance, submit that certificate to State of California within 90 days of its effective date, and continuously maintain the coverage provided by the certificate in accordance with the law and as required by this contract. I further understand that failure to comply with this requirement is grounds for disciplinary action.

|      |  |   |
|------|--|---|
| Date | Signature of Contractor (Owner, Partner, or Officer) | Printed Name of Contractor (Owner, Partner, or Officer) |
|      |  |   |



**Exhibit F**

**Woodsmoke Reduction Program  
Program Guidelines Fiscal Year 2018-2019**

Woodsmoke Reduction Program - Program Guidelines Fiscal Year 2018-2019  
Appropriation  
May 21, 2019