

California Air Resources Board (CARB)
Community Air Protection Program
GRANT AGREEMENT
Fiscal Year 2020-2021

Exhibit A

Grant Provisions:

1. **Community Air Protection Program:** This Grant Award provides funding to implement the Community Air Protection Program consistent with the goals of Assembly Bill 617 (Chapter 136, Statutes of 2017). Funds for implementation pursuant to Assembly Bill 617 may support selecting locations and deploying community air monitoring systems, deploying fence-line monitoring, developing an expedited schedule for requiring best available retrofit control technology, and developing Community Emissions Reduction Programs which includes efforts to improve community capacity to participate in the process, such as the provision of stipends, determining the proportional contribution of sources to air pollution exposure, developing rules, staff support, collecting data and reporting and other related tasks. For those air districts with communities selected by the CARB Board pursuant to Assembly Bill 617, these funds must be prioritized to support the required development and implementation of their Community Emissions Reduction Program(s) and/or Community Monitoring Plan(s).

2. **District Governing Board Approval**

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 until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB. CARB will terminate this Grant Agreement if the Grantee has not submitted this governing board resolution, minute order, or other approval to the CARB Community Air Protection Project Liaison on or before September 1, 2021.

3. **Reporting:**

- A. **Biannual Reports:** Grantee must submit biannual reports to CARB beginning six months after full grant execution and continue biannually through the end of the grant term, or until all funds have been liquidated. Biannual reporting covers work completed June 1 through November 30 with submittals due to CARB by **December 31st** and December 1 through May 31 with submittals due to CARB by **June 30th**. The first report can include expenditures made prior to June 1, 2021, as applicable.
- B. Reports, at a minimum, must include:
 - i. Report number, title, name of Grantee, date of submission, and grant number;
 - ii. Report costs associated with specific tasks (for example: identifying location for monitoring, deploying community air monitoring systems, fence- line monitoring, reporting emissions, developing a community

emissions reduction program, establishing best available retrofit control technology requirements, adopting an expedited schedule for the implementation of best available retrofit control technology, community meetings or other Community Air Protection implementation efforts and outreach). Information for outreach events must include the date, location, topics, and number of attendees, for each event.

- iii. Report how grant is being utilized to meet the goals of Assembly Bill 617. If applicable, include emission reductions being achieved.
- iv. Summary of work completed and in progress since the last progress report;
- v. Grant funds remaining and expended; and
- vi. Expenditure summary showing all Community Air Protection Program Implementation Funds for which reimbursement is being requested.

- C. **Final Report:** Grantee must submit a Final Report to CARB by June 30, 2023. If the last annual report submittal covers expenditures for the full grant amount, that report will be accepted as the Final Report. At a minimum, the Final Report must include all required information contained in the annual report, as well as an accounting summary of funds expended and a summary of how the goals of the program have been achieved.

Reports may be submitted electronically to CARB Community Air Protection Project Liaison, Ms. Andrea Juarez, at andrea.juarez@arb.ca.gov or Program designee.

4. **Program Funding:**

A. **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 has finalized Advance Payment regulations which become effective on January 1, 2021. Grantee agrees that this Agreement and all advance payment requests will comply with these regulations, which can be found at: 17 California Code of Regulations (C.C.R.) Sections 91040-91044.

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 grantees 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.
 - iv. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs.
 - v. CARB shall consider the available fund balance when determining the amount of the advance payment.
 - vi. Reports to CARB any material changes to the spending plan within 30 days.
 - vii. 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. A Grantee shall provide a money transfer confirmation within 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 the Grant Provisions, Exhibit A 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 2 Reporting of this grant agreement.
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of this Grant Agreement term on June 30, 2023 or the reversion date of the appropriation.

B. Grant Disbursements:

- i. CARB will release any disbursements from the total Grant award after the Grantee submits the following to CARB:
 - 1. A fully executed Grant Agreement Cover Sheet; and
 - 2. Grant Disbursement Request Form, provided by CARB to the

Grantee after the grant execution. The Grantee must include an attachment to this form that documents expenditures for the implementation of the Community Air Protection Program. At a minimum, the attachment must provide information on expenditures, such costs include, selecting locations and deploying community air monitoring systems, deploying fence-line monitoring, developing an expedited schedule for best available control technology and best available retrofit control technology considering the highest priority locations, and developing Community Emissions Reduction Programs which includes but is not limited to developing rules, hiring staff, collecting data, convening community steering committees, community outreach, and reporting.

3. The Grantee shall submit the Grant Disbursement Requests to CARB Accounting Section at accountspayable@arb.ca.gov with a CC to the CARB project liaison. The Grantee must submit this electronically, based on CARB's current electronic submission guidance at the time of request. For questions regarding the current guidance, contact your Project Liaison. Requests for payment must be made with the Grant Disbursement Request Form and contain all documentation required with the form.

CARB Community Air Protection Project Liaison:

Ms. Andrea Juarez
California Air Resources Board
Office of Community Air Protection
andrea.juarez@arb.ca.gov

Grant payments are subject to CARB's approval of Annual Reports.

- ii. No reimbursement will be made for expenses that, in the judgment of the Director of the Office of Community Air Protection or designee, are not reasonable or do not comply with the Grant Agreement.
 - iii. No reimbursement will be made for expenses towards the administration of programs which already receive state funds for administration. Please refer any questions to CARB Community Air Protection Project Liaison, Ms. Andrea Juarez, at andrea.juarez@arb.ca.gov or Program designee.
 - iv. Any disbursement will take into consideration whether an advance payment had been received.
- C. **Earned Interest, Returned and Recaptured funds:** "Earned interest" means any interest generated from Program funds provided to the Grantee and held in an interest-bearing account. The Grantee shall reinvest all earned interest on Community Air Protection Program Implementation Funds into the program. "Returned funds" or "Recaptured funds" are funds provided under this Grant Award that are expended by the Grantee but subsequently returned to the Grantee either voluntarily or through enforcement action. All such funds must be reinvested in the implementation of the Community Air Protection Program.

- i. Such funds must be reported to CARB.
 - ii. The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on program, as follows:
 1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method;
 2. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned program funds;
 3. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee's other fiscal programs; and
 - iii. Such funds must be fully liquidated or returned to CARB by completion of the program or by June 30, 2023, whichever comes first. Grantee shall report all such funds to CARB annually until complete liquidation or return of funds or June 30, 2023, whichever comes first.
 - iv. Documentation of expenditure made on those funds or returned to CARB must be:
 1. Retained for a minimum of three years after it is generated; and
 2. Provided to CARB in Annual Reports and Final Report.
5. **Grant Amendment:** Grantee recognizes that CARB continues to implement AB 617, including through the implementation of the Community Air Protection Program Blueprint (Blueprint). Grantee agrees that grant funds may not be used for purposes or activities contrary to the Blueprint. Grantee agrees that this grant agreement may be amended, upon mutual agreement of the parties, to reflect any additional terms needed to ensure consistency with the Blueprint.