




Agenda Item: D-7
Agenda Date: June 18, 2020
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Molly Pearson, Planning Division Manager, (805) 961-8838

SUBJECT: Community Air Protection Program

RECOMMENDATION:

1. Adopt the attached Resolution authorizing the District's continued participation in California Air Resources Board's (CARB) Assembly Bill (AB) 617 Community Air Protection Program; and
2. Approve, ratify, and authorize the Air Pollution Control Officer to enter into the following grant agreement with CARB for the Community Air Protection Program:
 - a. A grant in the amount of \$94,191 to implement AB 617 for the term of April 6, 2020 to April 1, 2022; and
3. Delegate authority to the Air Pollution Control Officer to enter into grant agreements with CARB for AB 617 Community Air Protection, in Fiscal Year 2020-21 and in future years, for amounts not to exceed \$200,000 to implement AB 617 and \$1,500,000 for incentive projects, subject to review and approval by Auditor Controller, District Counsel, and Risk Management.

BACKGROUND:

AB 617 (C. Garcia) was signed into law in September 2017. In response to this legislation, CARB created the Community Air Protection Program. The Program's focus is to reduce exposure in communities most impacted by air pollution. CARB staff has been working with local air districts, community groups, community members, environmental organizations, and regulated industries to develop a new community-focused action framework for community air protection. The effort includes community air monitoring in some areas, community emissions

reduction programs, early actions to address localized air pollution through targeted incentive funding to deploy cleaner technologies in these communities, and grants to support community participation in the AB 617 process. AB 617 also includes new requirements for accelerated retrofit of pollution controls on industrial sources, increased penalty fees, and greater transparency and availability of air quality and emissions data.

In 2018 and again in 2019, your Board approved the District's participation in CARB's AB 617 Community Air Protection grant programs through District Board Resolutions 18-12 and 19-10. The District has entered into two separate grant agreements with CARB each of these years to facilitate AB 617 implementation. One grant agreement focuses on funding incentive projects, and another grant agreement helps fund several activities related to AB 617 (for example, community outreach, emissions reporting requirements, and implementing Best Available Retrofit Control Technology requirements at large stationary sources). The two 2019 grant agreements are being successfully implemented and are near completion. More information is available on the District's website at www.ourair.org/community-air.

DISCUSSION:

The California legislature appropriated \$265 million for AB 617 related activities this year in Assembly Bill 74. The District received a final allocation of \$94,191 for a grant to cover District implementation of CARB's Community Air Protection program. With Board approval of the attached resolution, the District will be able to participate in the third year of this successful program that helps engage low-income communities, provides valuable economic incentives to businesses to use cleaner technology, increases health benefits to community members, and meets the legislative requirements of AB 617.

The Community Air Protection grants require the District to identify high priority communities within disadvantaged and low-income areas and conduct targeted outreach to individuals and organizations within those communities to determine what types of projects would benefit those communities.

Using tools and guidance provided by CARB and the California Environmental Protection Agency, such as CalEnviroScreen 3.0 and other tools and maps, District staff have reviewed data for communities in Santa Barbara County and identified several regions that have low income populations as well as a higher pollution burden. The target communities are generally Guadalupe, Santa Maria, Cuyama valley, Lompoc, and the lower Eastside portion of Santa Barbara. The District continues to conduct outreach to individuals and organizations in these communities in order to inform how future incentive funding will be spent in Santa Barbara County. A summary of the 2018 and 2019 Community Air Protection incentive projects is available on the District's website at www.ourair.org/community-air-protection-projects.

In Fiscal Year 2019-20, the District efforts to implement AB 617 included the following:

- Community Programs (bilingual outreach materials, outreach events, community group meetings, and bilingual surveys and data tracking).
- Air Quality Planning (toxic emissions inventory development and partnering in the development of the AB 617 criteria and toxic pollutant regulation).

- Rule Development (research and implementation of Best Available Retrofit Control Technology rules)
- Community Air Monitoring (low cost sensors, Airpointer, and E-BAM portable monitoring capabilities)

The District has been identified to receive grant funds to implement a Community Air Protection incentive program during Fiscal Year 2020-21, however a final grant offer has not yet been made. Draft terms and conditions for this grant are attached to the Board Resolution. The District's initial allocation for incentive funding was \$1,117,127. However, due to uncertainty related to the funding source, CARB has indicated that 75% of these funds will be allocated initially, and that the remaining 25% is dependent on the California Department of Finance approval. It is unclear when the Department of Finance will approve the release of the remaining incentive funds, but at that time the District will receive an amended grant offer up to the full amount that was initially allocated.

In delegating authority to the Air Pollution Control Officer as described in recommendation item 3 above, your Board will enable the District to participate in CARB's AB 617 Community Air Protection Program in Fiscal Year 2020-21 and in future years, including receipt of funds to implement AB 617 and funds for incentive projects that will benefit Santa Barbara businesses, agencies, and community members. This delegation will position the District to readily receive the CARB funds without additional Board action and ensure that grant funds are encumbered by the District as expeditiously as possible.

FISCAL IMPACT:

Approval of the District's continued participation in CARB's Community Air Protection Program will allow receipt of up to \$94,191 to support the District's efforts to implement other aspects of AB 617 associated with community engagement, emissions reporting, and control technologies. To meet CARB's deadline and ensure funds were encumbered for the District within this fiscal year, the APCO provided a signed grant cover sheet on April 29, 2020 indicating the District's intent to receive the funds, contingent upon District Board approval at the June 18, 2020 Board meeting. The proposed Board actions will also allow the District to receive Community Air Protection incentive funds for Fiscal Year 2020-21, and beyond.

The Community Air Protection grant funds are included in the District's proposed final budget for Fiscal Year 2020-21.

ATTACHMENTS:

A. Board Resolution – Community Air Protection, includes the following attachment:

1. Grant Agreement for AB 617 Community Air Protection Program Implementation
2. Draft Terms and Conditions for AB 617 Community Air Protection Incentives Grant

ATTACHMENT A

Board Resolution Community Air Protection,
with attachments

June 18, 2020

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF CONTINUED
PARTICIPATION IN THE CALIFORNIA
AIR RESOURCES BOARD'S
COMMUNITY AIR PROTECTION
PROGRAM

APCD RESOLUTION NO. _____

RECITALS

WHEREAS, section 44391.2 was added to the Health and Safety Code when Governor Brown signed Assembly Bill 617 (C. Garcia), which requires a new state program to monitor and reduce air pollution, with the intention of targeting communities affected by high cumulative exposure burdens for toxic air contaminants and criteria air pollutants; and

WHEREAS, Assembly Bill 617 contains several elements that require participation and action on the part of local air districts, including but not limited to the identification and selection of communities, emission reduction plans and programs, air monitoring plans, reporting of air pollutant emissions, assessment and implementation of best available retrofit control technology requirements, and public outreach to communities; and

WHEREAS, the California Budget Act of 2019, as amended by Assembly Bill 74, appropriated \$265 million of California Climate Investment funds in Fiscal Year 2019-20 for implementation of the Community Air Protection Program, including funding for incentive projects, to be administered by air districts in partnership with local communities; and

WHEREAS, the California Air Resources Board on May 23, 2019 adopted the Community Air Protection Incentives 2019 Guidelines. These 2019 Guidelines govern the expenditure of Community Air Protection incentive funds to eligible projects including mobile source projects, zero-emission vehicles, technology and charging infrastructure projects, stationary source projects, community-identified projects including reducing air pollution at

APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION
IN THE CALIFORNIA AIR RESOURCES BOARD'S COMMUNITY AIR
PROTECTION PROGRAM

schools, and hexavalent chromium reduction. These 2019 Guidelines include guiding principles designed to achieve program objectives; and

WHEREAS, the Santa Barbara County Air Pollution Control District (District) is identified to receive Community Air Protection funds from the California Air Resources Board to fund the District's efforts to implement Assembly Bill 617. The District may also be identified during Fiscal Year 2020-21, or in future years, to receive additional program implementation and incentive funds from the California Air Resources Board to implement Assembly Bill 617 in Santa Barbara County; and

WHEREAS, District Board Resolution 09-14 delegates authority to the Air Pollution Control Officer to execute individual grant agreements that meet specified parameters, including an authorized overall grant program with an authorized overall budget, established cost-effectiveness limits, and the use of a standard District grant agreement; and

WHEREAS, the California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board to allocate Carl Moyer Memorial Air Quality Standards Attainment Program funds to local air quality districts to provide financial incentives to both the public and private sector to implement eligible projects to reduce emissions from on-road and off-road engines; and

WHEREAS, the District has successfully implemented Carl Moyer Program projects since 1999 to improve air quality in the South Central Coast Air Basin and seeks to reduce emissions from diesel engines through clean air projects; and

WHEREAS, District Board Resolution 18-03 establishes cost-effectiveness limits for authorized Innovative Technology Group Carl Moyer Programs; these limits are occasionally updated by the District Board; and

WHEREAS, the Community Air Protection Incentives 2019 Guidelines include incentive funding limits for those projects that are not addressed in the Carl Moyer Memorial Air Quality Standards Attainment Program and Guidelines. Projects implemented under these 2019 Guidelines that do not fall under the Carl Moyer Program and associated cost-effectiveness criteria would instead be funded according to the limits included in the Community Air Protection Incentives 2019 Guidelines; and

APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION
IN THE CALIFORNIA AIR RESOURCES BOARD'S COMMUNITY AIR
PROTECTION PROGRAM

WHEREAS, the District received Assembly Bill 617 Community Air Protection incentive funds during Fiscal Year 2018-19 under District Board Resolution 18-12 and during Fiscal Year 2019-20 under District Board Resolution 19-10, and successfully committed those funds to incentive projects in Santa Barbara County; and

WHEREAS, the District is not required to provide match funds for the Community Air Protection incentive projects, and the Community Air Protection Program funding includes funds to cover the District's implementation of the grant program; and

WHEREAS, the Community Air Protection Program for District Fiscal Year 2020-21 currently includes a grant agreement with the California Air Resources Board in the amount of \$94,191 to implement aspects of Assembly Bill 617 not related to incentive projects. The funds associated with Community Air Protection grant programs are included in the District's proposed final budget for Fiscal Year 2020-21; and

WHEREAS, the California Air Resources Board has provided draft terms and conditions for a grant agreement to implement a Community Air Protection incentive program in Santa Barbara County for Fiscal Year 2020-21.

NOW, THEREFORE, IT IS HEREBY RESOLVED, as follows:

1. The District Board hereby approves the District's continued participation in the California Air Resources Board's Community Air Protection Program, and acceptance of funds to implement the incentive program as outlined in the Community Air Protection Incentives 2019 Guidelines, as well as funds to cover District costs to implement other aspects of Assembly Bill 617.
2. The District Board hereby delegates authority to the Air Pollution Control Officer to execute, on behalf of the District, a grant agreement with the California Air Resources Board to implement the Community Air Protection Program, and all other necessary documents to implement and carry out the purposes of this resolution. The terms for Grant Agreement G19-CAPP-28, for Community Air Protection Program implementation, are included as Attachment 1 to this resolution.

APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION
IN THE CALIFORNIA AIR RESOURCES BOARD'S COMMUNITY AIR
PROTECTION PROGRAM

3. The District Board hereby delegates authority to the Air Pollution Control Officer to enter into grant agreements with the California Air Resources Board for Assembly Bill 617 Community Air Protection, in Fiscal Year 2020-21 and in future years, for amounts not to exceed \$200,000 to implement Assembly Bill 617 and \$1,500,000 for incentive projects and subject to review and approval by Auditor Controller, District Counsel, and Risk Management. Draft terms and conditions for a Community Air Protection incentive program grant are included as Attachment 2 to this resolution.

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APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION
IN THE CALIFORNIA AIR RESOURCES BOARD'S COMMUNITY AIR
PROTECTION PROGRAM

PASSED, APPROVED AND ADOPTED by the Air Pollution Control District Board of
the Santa Barbara County, State of California, this 18th day of June 2020, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

ATTEST:

AERON ARLIN GENET
Clerk of the Board


By _____
Deputy

By _____
Chair

Date _____

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
Santa Barbara County Counsel

By 
Rachel Van Mullem (Jun 11, 2020 12:01 PDT)
Deputy

APPROVED AS TO FORM:

RAY AROMATORIO, ARM, AIC
Risk Manager

By 
Risk Manager

APPROVED AS TO FORM:

BETSY M. SCHAFFER, CPA
Auditor-Controller

By 
Deputy

ATTACHMENT 1

Grant Agreement for AB 617 Community Air Protection Programs Implementations

June 18, 2020

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

GRANT AGREEMENT COVER SHEET

NAME OF GRANT PROGRAM Community Air Protection Program		GRANT NUMBER G19-CAPP-28
GRANTEE NAME Santa Barbara County Air Pollution Control District		
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER 77-0384167	TOTAL GRANT AMOUNT NOT TO EXCEED \$94,191.00	
FISCAL GRANT TERM FROM: April 6, 2020	TO: April 1, 2022	
PROJECT PERFORMANCE PERIOD OF GRANT AGREEMENT FROM: April 6, 2020	TO: September 28, 2022	

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

Total Community Air Protection Program Implementation Funds:
Special Terms and Conditions (if applicable): Grant is contingent on CARB receipt
By June 30, 2020 of Board Resolution or minute order authorizing the District to accept
the funding and signed cover sheet.

Exhibit A – Grant Provisions

Exhibit A, Attachment 1 – Air District Advance Payment Request Form

Exhibit A, Attachment 2 – Community Air Protection Program Grant Disbursement Request Form

Exhibit B – General Terms and Conditions

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 California Air Resources Board		GRANTEE'S NAME (PRINT OR TYPE) Santa Barbara County Air Pollution Control District			
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY: 		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION) 			
TITLE Brandy Hunt, Branch Chief	DATE 4/29/2020	TITLE Aeron Arlin Genet, Air Pollution Control Officer	DATE 29 April 2020		
STATE AGENCY ADDRESS 1001 I Street, Sacramento, CA 95814		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) 260 North San Antonio Rd., Ste. A, Santa Barbara, CA. 93110			
CERTIFICATION OF FUNDING					
AMOUNT ENCUMBERED BY THIS AGREEMENT \$94,191.00	PROGRAM 3530000L39	PROJECT		ACTIVITY	
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0.00	FUND TITLE Air Pollution Control Fund				FUND NO. 0115
TOTAL AMOUNT ENCUMBERED TO DATE \$94,191.00	(OPTIONAL USE)		FISCAL SUPPLIER ID	CHAPTER 23	STATUTE 2019
APPR REF 101	ACCOUNT/ALT ACCOUNT 5432000	REPORTING STRUCTURE 39000500	SERVICE LOCATION 59501	FISCAL YEAR (ENY) 2019-20	
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 4/7/20		
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 4/17/20		

California Air Resources Board (CARB)
Community Air Protection Program
GRANT AGREEMENT
Fiscal Year 2019-2020

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, 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. **Reporting:**
 - A. **Annual Reports:** Grantee must submit annual reports to CARB beginning one year after full grant execution and continue annually through the end of the grant term, or until all funds have been liquidated. 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.
 - B. **Final Report:** Grantee must submit a Final Report to CARB by April 1, 2022 or upon request for disbursement of all remaining funds, whichever is earlier. 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 Program Liaison, Ms. Jennifer Magana, at jennifer.magana@arb.ca.gov or Program designee.

3. 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 is in the process of promulgating Advance Payment regulations. 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 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.

Exhibit A

- 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, 2022 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 included as Attachment 2.
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 must mail completed Grant Disbursement Requests to the CARB Community Air Protection Program Liaison,
Ms. Jennifer Magana, or Program designee. Correspondence regarding this grant agreement shall be directed to:

Ms. Jennifer Magana
California Air Resources Board
Office of Community Air Protection
1001 I Street
Sacramento, California 95814

Exhibit A

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 Program Liaison, Ms. Jennifer Magana, at jennifer.magana@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, 2022, whichever comes first. Grantee shall report all such funds to CARB annually until complete liquidation or return of funds or June 30, 2022, 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.

4. **Grant Amendment:** Grantee recognizes that CARB continues to implement AB 617,

Exhibit A

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.

General Terms and Conditions:

1. **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.
2. **Assignment:** This Grant Agreement is not assignable by the Grantee, either in whole or in part, without the consent of CARB.
3. **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.
4. **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.
5. **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 and State laws, rules, guidelines, regulations, and requirements.
6. **Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
7. **Confidentiality:** No record which has been designated as confidential by CARB shall be disclosed by the Grantee. If CARB opts to maintain the confidentiality of a document, and the entity requesting the records seeks a judicial ruling challenging that determination, CARB will defend the action at its own expense, including any requirement to pay attorney fees and court costs.
8. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
9. **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 30 days of when the issue is first raised with CARB staff shall be subject to resolution by the CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law.
10. **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.

11. **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.
12. **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.
13. **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.
14. **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 contracts for work funded by this Grant Agreement, 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. **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, and out of the operation of equipment that is purchased with funds from this Grant Award.
16. **Independent contractor:** The Grantee, and its agents and employees, if any, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
17. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 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 contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

18. **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 established herein.
19. **Personally Identifiable Information:** Information or data, including, but not limited to, records that personally identify an individual or individuals are confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee must safeguard all such information or data which comes into their possession under this agreement in perpetuity, and must not release or publish any such information, data, or financing assistance records.
20. **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.
21. **Professionals:** For programs involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
22. **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.
23. **Term:** This Grant Award shall be effective upon full execution of this Grant Agreement and shall continue in full force and effect until all conditions of the Grant Agreement have been met. This award is conditional based on CARB receipt and approval of a fully executed Grant Agreement Cover Sheet accepting Community Air Protection Funds for Fiscal Year 2019-2020 by May 1, 2020.
24. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion this Grant Award, 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.
25. **Timeliness:** Time is of the essence in this Grant Agreement. The Grantee shall proceed with and complete expenditure of funds to implement the Community Air Protection Program in an expeditious manner.
26. **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.
27. **Disbursement Deadline:** The Fiscal Year 2019-2020 Community Air Protection Program Funds specified in this Grant Agreement must be encumbered or expended by June 30, 2020. Grant disbursement requests must be submitted by the Grantee to CARB no later than April 1, 2022 to ensure adequate time for processing prior to the end of the fiscal year. The Community Air Protection Program Fund Grant Disbursement Request Form and Advance Payment Request Form are incorporated as part of this grant agreement.

Exhibit B

28. **Liquidation and Return of Funds**: Funds not liquidated by June 30, 2022 must be returned by September 28, 2022. Expenditure of project funds granted may not be reduced due to any loss incurred in an uninsured bank or investment account.

ATTACHMENT 2

Draft Terms and Conditions for AB 617 Community Air Protection Incentives Grant

June 18, 2020

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

California Air Resources Board
Fiscal Year 2019-20 – AB 617 Community Air Protection (CAP) Incentives
GRANT AGREEMENT

General Terms and Conditions:

1. **Grant Objectives:** The California Air Resources Board (CARB) is providing money from the Greenhouse Gas Reduction Fund to support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of Assembly Bill (AB) 617 (Chapter 254, Statutes of 2017).
 - a. The air district (GRANTEE) will select projects eligible under the *Carl Moyer Program 2017 Guidelines* and *Community Air Protection Funds Guidelines Supplement* (including truck projects under the *Proposition 1B 2015 Guidelines* relative to funding amounts and truck evaluations), or projects eligible under the *Community Air Protection Incentives 2019 Guidelines* approved by CARB, or other incentive projects and programs included in an approved Community Emissions Reduction Program (H&SC § 44391.2) for funding under this grant agreement. The GRANTEE will allocate funds to projects that will provide emissions reductions in excess of those otherwise required by law or regulation, and will prioritize zero-emission projects whenever feasible, including charging/fueling infrastructure (e.g., EVSE) for medium-and heavy-duty vehicles.
 - b. The GRANTEE will target funds to prioritize emissions reductions in communities most impacted by cumulative pollution burden, focusing in particular on vehicles, equipment and infrastructure that operate in any AB 617 communities selected by CARB or under consideration for future selection. **The statewide** targets for benefits to priority populations **are:** no

less than 80 percent of funds will go to projects that are located in and provide direct, meaningful, and assured benefits to residents of AB 1550 communities (Chapter 369, Statutes of 2016); **however, the GRANTEE will meet its own individual target for AB 1550 communities as listed in the Grant Coversheet.**

- c. The GRANTEE will allocate funds to projects that are consistent with priorities identified by affected communities through a transparent, meaningful public process. The GRANTEE will provide public access to information, including project selection criteria and web posting of project funding proposals and a summary of final selected projects consistent with Section IV of the CARB Funding Guidelines for Agencies that Administer California Climate Investments **(CCI) Funding Guidelines** (<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>). For each project selected the GRANTEE will post at a minimum the following items: name of applicant, brief description of the proposed project, including location (e.g. zip code), amount of funding requested and whether the project is expected to provide direct, meaningful, and assured benefits to residents of AB 1550 communities.
- d. **Where applicable, the GRANTEE agrees to acknowledge the CCI program and CARB as a funding source, and adhere to the CCI Funding Guidelines as outlined in the California Climate Investments Messaging and Communications Guide (<http://www.caclimateinvestments.ca.gov/logo-graphics-request/>).** Below are specific requirements for acknowledgement.
- e. **The GRANTEE agrees to include the CCI funding boilerplate and logo (see Figure 1) on all outreach and public facing materials 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:**
'[PROGRAM/PROJECT NAME] is part of California Climate Investments, a statewide initiative 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.’ And whenever applicable, the Spanish translation acknowledgement: ‘[NOMBRE DEL PROGRAMA/PROYECTO] forma parte de las Inversiones del Clima de California, un iniciativa estatal que destina miles de millones de dólares de Cap-and-Trade para la reducción de gases de efecto invernadero, fortalecimiento de la economía y mejoramiento de la salud pública y el medio ambiente – especialmente en comunidades en desventaja.’

The 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.

Figure 1: CCI logo



- f. The GRANTEE will allocate funds to projects that are consistent with priorities identified by affected communities through a transparent, meaningful public process. The GRANTEE will provide public access to information, including project selection criteria and web posting of project funding proposals and a summary of final selected projects consistent with Section IV of the CARB Funding Guidelines for Agencies that Administer California Climate Investments

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(CCI Funding Guidelines) (<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>). For each project selected the GRANTEE will post at a minimum the following items: name of applicant, brief description of the proposed project, including location (e.g. zip code), amount of funding requested and whether the project is expected to provide direct, meaningful, and assured benefits to residents of AB 1550 communities.

- g. When submitting project lists with disbursement requests, the GRANTEE will indicate how each project satisfies evaluation criteria for benefits to priority populations, using the *CCI Funding Guidelines Criteria for Clean Transportation and Equipment* except where otherwise directed by CARB (www.arb.ca.gov/cci-resources).
- h. With CARB's assistance and direction, the GRANTEE will implement reporting procedures for funded projects as specified in the *CCI Funding Guidelines* and the *Community Air Protection Incentives 2019 Guidelines* approved by CARB, including project location information to document benefits to priority populations, vehicle and equipment data to support the calculation of reductions in criteria and toxic pollutants and greenhouse gases, and additional information related to jobs, public outreach and earned interest.
- i. The GRANTEE will continue to monitor the ongoing implementation of the requirements of AB 617, and will work with CARB to address any new priorities as they are developed to support the community air quality protection goals of AB 617.
- j. The GRANTEE and CARB will work together to determine the feasibility of addressing any new community priorities.

2. **Implementation Funding:** In accordance with Section E of Chapter 3: Program Administration, of the Community Air Protection Incentives 2019 Guidelines, the GRANTEE may use up to 12.5 percent of their CAP Incentives for program administration and implementation activities as required by the Grant Agreement. Implementation funding (12.5 percent of the total CAP Incentive grant funds) can

be a combination of the direct and indirect project costs; however, the total indirect project costs cannot exceed 4 percent of the total CAP Incentives.

3. **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.
4. **Assignment:** This Grant Agreement is not assignable by the GRANTEE, either in whole or in part, without the consent of CARB.
5. **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. Additional grant funds may be added through amendment to this agreement if a portion has been withheld pending the fourth cap and trade auction in the 2018–19 fiscal year.
6. **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 and State laws, rules, guidelines, regulations, and requirements.
7. **Computer Software:** The GRANTEE certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. **Conflict of Interest:** The GRANTEE certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
9. **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 30 days of when the issue is first raised with CARB staff shall be subject to resolution by the CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law.

10. **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 and low-income populations of the State.
11. **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.
12. **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.
13. **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.
14. **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

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shall be responsible for any and all disputes arising out of its contracts for work funded by this Grant Agreement, 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. **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, and out of the operation of equipment that is purchased with funds from this Grant Award.
16. **Independent Contractor:** The GRANTEE, and its agents and employees, if any, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
17. **Interest:** The GRANTEE shall maintain accounting records of interest earned on funds from the CAP Incentives separate from other incentive funds. The calculation of interest earned must be based on a daily balance or some reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program, and must be consistent with how it is calculated for the GRANTEE's other fiscal programs. Interest earned shall only be used for eligible grant-related expenses as outlined in the guidelines specified in this agreement. Earned interest must be fully expended or returned to CARB if it is not used by the end of the grant performance period. The GRANTEE will report in the Yearly Report interest earned on all CAP incentives during the previous fiscal year. Documentation of the interest earned must be retained for a minimum of three years following its generation and liquidation. Interest earned by the GRANTEE during each previous fiscal year shall be reported to CARB annually.

18. **Nondiscrimination:** During the performance of this Grant Agreement, the GRANTEE and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The GRANTEE and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The GRANTEE and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 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 contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
19. **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 established herein.
20. **Prevailing Wages and Labor Compliance: If applicable, the grantee agrees to comply with all of the applicable provisions of the California Labor Code pertaining to Public Works projects (Labor Code Sections 1720-1861) including those provisions requiring the payment of not less than the specified prevailing rate of wages as determined by the Director of the Department of Industrial Relations to workers employed in the performance of this grant. If applicable, the GRANTEE shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the provisions of Labor Code Sections 1720-1861 are being met.**

21. **Professionals:** For projects involving installation or construction services, the GRANTEE agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.
22. **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.
23. **Term:** This Grant Award shall be effective upon full execution of this Grant Agreement and shall continue in full force and effect until all conditions of the Grant Agreement have been met. This award is conditional based on CARB receipt and approval of a fully executed Grant Agreement accepting these CAP Incentives by **June 8, 2020.**
24. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of projects funded by this Grant Award, 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.
25. **Timeliness:** Time is of the essence in this Grant Agreement. The GRANTEE shall proceed with and complete projects funded by this Grant Award in accordance with the need to quickly reduce emissions in disadvantaged and low-income communities, with full consideration of the guidelines and liquidation deadlines specified in this agreement.
26. **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.

27. **Incorporated Documents:** The GRANTEE is authorized to administer a local program according to the requirements described in the following documents, which are incorporated as part of this Grant Agreement:

- a. District's Policies and Procedures Manual (Refer to requirements in *Carl Moyer Program 2017 Guidelines* and for the *Community Air Protection Incentives 2019 Guidelines* approved by CARB).
- b. As applicable, *Carl Moyer Program 2017 Guidelines*, the *Community Air Protection Funds Supplement to the Carl Moyer Program Guidelines*, the *Community Air Protection Incentives 2019 Guidelines*, *Proposition 1B Goods Movement Emission Reduction Program 2015 Guidelines*, and related Program Advisories, Mail-outs, and Executive Orders currently issued or updated during the grant performance period.
- c. *Funding Guidelines for Agencies that Administer California Climate Investments* (August 2018 and succeeding revisions).
- d. Community Air Protection Incentives Grant Disbursement Request Form.

28. **Disbursement Deadline:** The Fiscal Year **2019-20 CAP** Incentives specified in this Grant Agreement must be disbursed by **June 30, 2021**. Grant disbursement requests can be submitted by the GRANTEE to CARB any time after the Grant Agreement is fully executed. The Grantee must submit a completed Community Air Protection Incentives Grant Disbursement Request Form no later than **May 1, 2021** to ensure adequate time for processing prior to the end of the fiscal year.

29. **Liquidation and Return of Funds:** CAP Incentives not liquidated by **June 30, 2025** must be returned to CARB by **September 28, 2025**. Expenditure of project funds granted may not be reduced due to any loss incurred in an uninsured bank or investment account.

30. **Program Audit:** The GRANTEE agrees that CARB, the Department of General Services, Department of Finance, State Controller's Office, 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

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of this Grant and all State funds received. The 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. The 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, the GRANTEE agrees to include similar right of the State to audit records and interview staff in any grant related to performance of this agreement.