

### 1. Grant Agreement Cover Sheet

Grant Number: G25-EIDG-15	
Name of Grant Program: Emission Inventory District Grant (EIDG) Program	
Grantee Name: Mendocino County Air Quality Management District	
Taxpayer's Federal Employer Identification Number: 94-6000520	
Total Grant Amount Not to Exceed: \$ 8,583.00	
Amount Spelled Out: Eight Thousand Five Hundred Eighty-Three Dollars and Zero Cents	
Start Date: 05/31/2026	End Date: 05/01/2027

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, California Air Resources Board (CARB) and Mendocino County Air Quality Management District (the "Grantee").

### 2. Other Special Terms

Other Special Terms:
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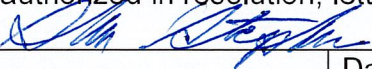
### 3. Exhibits

Exhibit A, General Terms and Conditions
Exhibit B, Budget Summary
Exhibit B, Attachment 1, Project Disbursement Schedule
Exhibit B, Attachment 2, Project Schedule


This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until this Agreement is signed by both parties and grantee receives written approval from CARB to commence performance.

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

**4. Grantee**

Grantee's Name: Mendocino County Air Quality Management District	
Grantee's Authorized Signatory Name (print or type): Glen E. Stephens	
Signature of Grantee (as authorized in resolution, letter of commitment, or letter of designation): 	
Title: Air Pollution Control Officer	Date: 05/11/2026
Grantee's Address (including street, city, state, and zip code): 1100A Hastings Road, Ukiah, California 95482	

**5. State of California**

State Agency Name: California Air Resources Board	
CARB's Authorized Signatory Name (Print or Type): Alice Kindarara	
Signature of CARB's Authorized Signatory:	
Title: Manager II	Date:
State Agency Address: 1001 I Street, Sacramento, CA 95814	

## EMISSION INVENTORY DISTRICT GRANT (EIDG) PROGRAM EXHIBIT A, GENERAL TERMS AND CONDITIONS

### 1. AGREEMENT

The parties agree to comply with the requirements and conditions contained in this Grant Agreement (hereinafter referred to as Grant or Grant Agreement) herein, as well as all commitments identified in the Emission Inventory District Grant Guidelines covering the entire grant period (May 31, 2026 through May 1, 2027).

### 2. GRANT AGREEMENT PARTIES AND CONTACT INFORMATION

- a. This Grant is from the California Air Resources Board (hereinafter referred to as CARB or the Board) to the Mendocino County Air Quality Management District (hereinafter referred to as Grantee).
- b. The CARB Project Liaison is Kevin Eslinger. Correspondence regarding this project must be directed to:

Kevin Eslinger  
California Air Resources Board  
Air Quality Planning and Science Division  
P.O. Box 2815  
Sacramento, California 95812  
Phone: (279) 208-7783  
Email: [kevin.eslinger@arb.ca.gov](mailto:kevin.eslinger@arb.ca.gov)

- c. The Grantee Liaison is Glen Stephens. Correspondence regarding this project must be directed to:

Glen Stephens  
Air Pollution Control Officer  
Mendocino County Air Quality Management District  
1100A Hastings Road  
Ukiah, California 95482  
Phone: (707) 263-7000  
Email: [stephensg@mendocinocounty.gov](mailto:stephensg@mendocinocounty.gov)

### 3. USE OF TERMS

- a. This Grant Agreement (“Grant” or “Grant Agreement”) is entered into by and between the State of California acting by and through the California Air Resources Board (hereinafter referred to as “CARB”, the “Grantor”, the “State” or the “Board”) and the air district named in the coversheet to this Grant (hereinafter referred to as the “Grantee”). Grantor and Grantee are each a “Party” and together the “Parties” to this Grant Agreement.
- b. As referenced in this Grant Agreement, “Grantee” or “Grantees” means and includes, individually and collectively, Grantee’s assigns, employees, officers, and directors.

- c. "Grant Recipient" or "Grant Recipients" means and includes, individually and collectively, subgrantees, sub-awardees, contractors, subcontractors, technical grantees, voucher recipients, awardees, sub-awardees, or any other individual or entity that receives any Grant Funds but excluding Grantee.
- d. "Day" or "days" means calendar days, unless expressly noted otherwise.
- e. "Grant Funds" means any money or funding provided by the State to Grantee or any Grant Recipient pursuant to this Grant. The total amount of Grant Funds is set out in the Grant Cover Sheet to which this Exhibit is attached. As referenced in this Grant Agreement, the phrases "Grant Funds" and "Grant Award" have the same meaning and are used interchangeably.

#### **4. DISTRICT GOVERNING BOARD APPROVAL**

- a. 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 which authorizes Grantee to enter into this Grant Agreement and which commits the Grantee to comply with the requirements of this Grant Agreement.
- b. 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 the governing board resolution, minute order or other approval to CARB.
- c. CARB will terminate this Grant Agreement if the Grantee has not submitted this governing board resolution, minute order, or other approval to the CARB Project Liaison on or before August 31, 2026.

#### **5. TIME PERIOD**

- a. Performance of work or other expenses billable to CARB under the Grant may begin after full execution of this Grant Agreement by both parties. Performance on this Grant ends once the Grantee has submitted the Final Report or if this Grant Agreement is terminated, whichever is earlier.
- b. Upon completion of the project milestones, the Grantee must submit a draft Final Report to the CARB Project Liaison no later than March 1, 2027.
- c. The Final Report and the final Grant Disbursement Request must be received by CARB within thirty (30) days of the project completion, but no later than May 1, 2027.
- d. The CARB Executive Officer retains the authority to terminate or reduce the dollar amount of this Grant if by December 1, 2026, forty percent (40%) of the project scope of work has not been completed by the Grantee. In the event of such termination, Section 7. Fiscal Administration, c. Suspension of Payments and Grant Agreement Termination, of this agreement shall apply.

- e. If additional funding becomes available, the CARB Executive Officer retains the authority to amend this Grant to provide additional disbursement to the Grantee to complete tasks related to Section 6, Scope of Work for this Grant Agreement.

## 6. SCOPE OF WORK

This section defines the respective duties and requirements of CARB and the Grantee in implementing this Grant Agreement. In sum, the Grantee shall review and update data currently stored or being uploaded into the California Emissions Inventory Development and Reporting System (CEIDARS) database. If additional funding becomes available, this Grant Agreement may be amended in subsequent years to provide additional funding to the Grantee to improve the future data loaded into the CEIDARS database.

- a. CARB Responsibilities: CARB is responsible for the following:
  - i. Participating in a project kick-off meeting or conference call and ongoing coordination with the Grantee to discuss project activities and guide project implementation;
  - ii. Reviewing and approving elements developed by the Grantee for implementation of the project, such as Progress and Final Reports;
  - iii. Reviewing and approving the Grant Disbursement Forms and distributing funds to the Grantee in accordance with Exhibit B, Attachment 1, Project Disbursement Schedule, if the milestones have been met;
  - iv. Providing project oversight and accountability, in conjunction with the Grantee; and
  - v. Ensuring compliance with the applicable requirements of this Grant Agreement.
- b. Grantee Responsibilities: The Grantee is responsible for development and implementation of defined project tasks as described below. Minimum duties and requirements of the Grantee include:
  - i. Conducting a project kick-off meeting or conference call and maintaining ongoing project coordination with the CARB Project Liaison;
  - ii. Reviewing, updating and submitting the CARB quality assured criteria and toxic pollutant emissions data for calendar year 2025 for stationary sources of criteria pollutant emissions and toxic air contaminants under the Grantee's jurisdiction;
  - iii. Overseeing the project budget and funds; and
  - iv. Submitting a draft Final Report, Grant Disbursement Requests, and a Final Report to CARB
- c. Project Development and Implementation: The Grantee's Scope of Work includes the following tasks and project elements:

- i. Review and update the district facilities<sup>1</sup> in CARB's 2025 CEIDARS emission inventory database that have been rolled over from prior inventory years. The Grantee should make a determination whether any facilities in their jurisdiction should be added to the database and report the required information per Section 6. Scope of Work, c.ii., giving priority to facilities subject to CARB's Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR facilities). In addition, the Grantee will work with CARB's emission inventory staff to remove closed facilities from the CEIDARS 2025 facility tables.
- ii. Review and, to the extent that the Grantee has the necessary data, update the following CEIDARS tables for each facility in operation in 2025:

FACILITY tables (FAC): The Grantee must review and update the name, address, geospatial coordinates and, to the extent available, other basic information for each emitting facility in CEIDARS.

Criteria and toxics EMISSION tables (EMS and TEMS): These tables contain the actual emissions for each emitting process. For each pollutant emitted, the Grantee must review and, if data are available, update information on the amounts emitted nationally.

- iii. Reporting Applicability:

The Grantee must report into CEIDARS annual criteria pollutant emissions for all facilities that emit ten (10) tons/year or more of any of the criteria pollutants listed in Section 6. Scope of Work, c.iv. In addition, the Grantee must report annual toxic pollutant emissions data collected under the Grantee's Assembly Bill (AB) 2588 Air Toxics Hot Spots Information and Assessment Act program in accordance with the "Air Toxics Hot Spots Emission Inventory Criteria and Guidelines" (located at <https://www.arb.ca.gov/ab2588/2588guid.htm>).

- iv. Pollutants to be Reported.

When updating the CEIDARS emissions tables described in Section 6. Scope of Work, c.ii., the Grantee must report emissions for the following criteria pollutants: total organic gases (TOG), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), carbon monoxide (CO), particulate matter (PM), lead (Pb) and ammonia (NH<sub>3</sub>). In lieu of TOG and PM, the Grantee has the option of reporting reactive organic gases (ROG), and PM<sub>10</sub> and/or PM<sub>2.5</sub>; however, if these three (3) pollutants are not reported, CARB will calculate them based upon the respective TOG and PM speciation profiles. The Grantee must also report emissions of toxics pollutants that are listed in Appendix A-I (located at <https://ww2.arb.ca.gov/sites/default/files/2023-07/a1.pdf>) in accordance with Section VIII.E of the "Air Toxics Hot Spots Emission Inventory Criteria and Guidelines" (located at <https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2020/hotspots2020/eicgfro.pdf>).

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<sup>1</sup> For purposes of this Grant Agreement, "facility" means a stationary source within the Grantee's jurisdiction that is a reportable source of criteria pollutant or toxic air contaminant emissions.

with additional info available at <https://ww2.arb.ca.gov/our-work/programs/ab-2588-air-toxics-hot-spots/hot-spots-inventory-guidelines>).

d. Project Kick-off and Ongoing Coordination:

Before initiating work on the project, a one-time kick-off meeting or conference call will be held between the Grantee and CARB project management staff. The purpose of this meeting is to discuss items such as the proposed work plan, details of task performance, and issues needing clarification or resolution prior to initiating work. Ongoing Grantee coordination and review meetings with the CARB Project Liaison to discuss project status will be held as needed. Additional meetings may be scheduled at the discretion of the CARB Project Liaison. These meetings may be conducted by phone if deemed appropriate by the CARB Project Liaison.

e. Progress Reports:

The Grantee must submit a Progress Report to CARB by December 1, 2026, providing a summary of the work completed. Alternately, if all the tasks identified in Section 6, Scope of Work have been completed, the Grantee may submit a Draft Final Report.

Progress Reports may be submitted electronically and, at a minimum, must include:

- i. Title of project, name of Grantee, and Grant number;
- ii. Summary of work completed and in progress, noting progress toward completion of tasks and milestones identified in the work plan;
- iii. Identified problems or concerns and proposed solutions, if applicable; If the Grantee is requesting a grant disbursement, the Progress Report must also include:
- iv. Accounting summary of Grant funds expended; and
- v. Itemized invoice showing all costs for which reimbursement is being requested.

f. Final Report:

The Grantee must submit a Draft Final Report by March 1, 2027, providing a summary of any additional work conducted after the Progress Report. If CARB staff determine that revisions are necessary, the Grantee must submit a Final Report by May 1, 2027. At a minimum, the Final Report must include the following:

- i. Title of project, name of Grantee, and Grant number;
- ii. Accounting summary of Grant funds expended;
- iii. Summary of work completed; and
- iv. Narrative of how the milestones have been met.

g. Grant Disbursement Requests:

Upon completion of all the tasks identified in Section 6, Scope of Work, the Grantee may submit a Grant Disbursement Request using the AB 197 Grant Disbursement Request Form. Disbursement Requests must be accompanied by a Progress Report or Final Report.

## 7. FISCAL ADMINISTRATION

a. Budget:

- i. The maximum amount of this Grant is up to **Eight Thousand Five Hundred Eighty-Three Dollars and Zero Cents (\$8,583.00)**. 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.
- ii. The budget for this project is shown in Exhibit B, Budget Summary. Grant Disbursement Requests for the project and administration funds must not exceed the Grant amount.
- iii. 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.

b. Grant Disbursements:

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

- i. The Grantee must submit original signed Grant Disbursement Requests via mail or email to the CARB Project Liaison, identified above in Section 2.b. A disbursement request must be made in conjunction with completed milestones documented in a Progress Report, Draft Final Report, and/or Final Report. Grant payments are subject to CARB's approval of the Progress Report or Draft Final Report or Final Report and any accompanying deliverables. A payment will not be made if the CARB Project Liaison deems that a milestone has not been accomplished or documented, a deliverable meeting specification has not been provided, claimed expenses are not documented, not valid per the budget, not reasonable, or the Grantee has not met other terms of the Grant Agreement.
- ii. The Division Chief of the Air Quality Planning and Science Division or designee of CARB may review the CARB Project Liaison's approval or disapproval of a Grant Disbursement Request. No reimbursement will be made for expenses that, in the judgment of the Division Chief of the Air Quality Planning and Science Division or designee of CARB, are not reasonable or do not comply with the Grant Agreement. CARB will have sole discretion to accelerate the timeline for allowable disbursements of administrative and project funds based on Exhibit B, Attachment 2, Project Schedule, necessary to assure the goals of the project are met.

- iii. CARB will withhold payment of ten percent (10%) of administrative funds until completion of all work and CARB's approval of the Grantee's Final Report. It is the Grantee's responsibility to submit a Grant Disbursement Request for this final disbursement of funds.
  - iv. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code Section 927, et. seq.
- c. Suspension of Payments and Grant Agreement Termination:
- i. 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.
  - ii. CARB reserves the right to terminate this Grant Agreement upon thirty (30) days' written notice to the Grantee. 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 8. Project Monitoring of these provisions.
  - iii. CARB reserves the right to immediately terminate this Grant Agreement in accordance with this agreement, Exhibit A, General Terms and Conditions, Section 53. Termination.
- d. Contingency Provision:
- i. In the event this Grant Agreement is terminated for whatever reason, the CARB Executive Officer or designee reserves the right in his or her sole discretion to award any remaining funds to other projects.
- e. Documentation of Use of Project Funds:

Project funds may be used for administrative costs of accomplishing the tasks identified in Section 6, Scope of Work. Administrative costs include: the Grantee's personnel costs; fringe benefit costs; operating costs (including rent, supplies, and equipment); indirect costs (general administrative services, office space, and telephone services); travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>2</sup>; overhead; consultant fees (if pre-approved by CARB); and printing, records retention, and mailing costs. The Grantee must maintain documentation of all project administration funds, including the following:

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<sup>2</sup> Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

- i. 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;
- ii. Administration funds for subcontractor(s) must be documented with copies of the contract and invoices;
- iii. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices;
- iv. 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: <https://benefits.calhr.ca.gov/state-employees/work-resources/travel-reimbursements/Reimbursement> must be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee; and
- v. If indirect costs are used to document administration funds for the project, the Grantee must describe how these costs are determined.
- vi. 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 completion of the Grant Agreement.

## 8. PROJECT MONITORING

The Grantee is subject to certain in-person meetings and to technical monitoring, as outlined below.

### a. Meetings with CARB:

- i. Project kick-off: A one-time kick-off meeting or conference call will be held between the Grantee's key project personnel and CARB project management staff. The purpose of this meeting is to discuss items such as the proposed work plan, details of task performance, and issues needing clarification or resolution prior to initiating work.
- ii. Ongoing coordination and review meetings: Ongoing Grantee coordination and review conference calls or meetings with the CARB Project Liaison to discuss project status will be held on an as needed basis.
- iii. Site visits: Site visits may be established by the CARB Project Liaison during the term of this Grant Agreement.

### b. Technical Monitoring:

- i. Any changes to Section 6, Scope of Work or timeline for the project requires the prior written approval of the CARB Project Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment.
- ii. The Grantee must notify the CARB Project 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.
- iii. In addition to the Draft Final and Final Reports, the Grantee must provide information requested by the CARB Project Liaison that is needed to assess progress in completing tasks and meeting the objectives of the project.
- iv. Any change in budget allocations, re-definition of deliverables, or extension of the project schedule must be requested in writing to the CARB Project Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.

## **9. ADDITIONAL REMEDIES FOR NON-COMPLIANCE**

- a. Without limiting any of the parties' other remedies, and subject to Section 26, Disputes and Section 53, Termination, CARB or its designee may require Grantee to return Grant Funds it received due to termination for cause of this Grant Agreement, or for Grantee's misinformation, misrepresentation, misuse of Grant funds, or fraud. CARB also reserves the right to prohibit Grantee from participating in existing or future CARB programs, projects, or grants due to its substantial non-compliance with any material term or condition of this Grant Agreement.
- b. Grantee shall, for each occurrence, document and promptly notify CARB of any and all suspected or known breaches of this Grant Agreement, misinformation, misrepresentation, fraud, or misuse of Grant funds carried out by Grantee or any Grant Recipient.
- c. Grantee shall fully cooperate with CARB to investigate, resolve, and take appropriate action to enforce the terms and conditions of any Grant Recipient agreement, and this Grant Agreement, including referring any criminal claims to a prosecuting agency or litigating any civil claims (including for recapture of Grant Funds from Grant Recipients) as determined reasonably necessary and feasible by Grantee, in consultation with CARB.

## **10. ADDITIONAL REQUIRED TERMS FOR GRANT RECIPIENT AGREEMENTS FUNDED BY THIS GRANT**

All written agreements and amendments executed after the effective date of this Grant Agreement entered into by and between Grantee and any Grant Recipient using or applying Grant Funds, in whole or in part, (collectively "Related Agreements") shall also contain the following language (or similar language with the same or similar meaning and intent) listed below to the extent applicable or feasible as determined by Grantee:

- a. Conflict Of Interest: By entering into this agreement, said party is or may be a direct or

indirect recipient ("Grant Recipient") of funds received from or provided by the California Air Resources Board ("CARB"), and as such certifies, represents, and warrants that it is in compliance with all applicable state and federal conflict of interest laws on the date said agreement is signed and shall remain in compliance with all such laws during the term of the agreement and for any other period required by said applicable federal or state law as they pertain to Grant Recipient's agreement. Grant Recipient further certifies, represents, and warrants that it has no interest, and shall not acquire any interest, direct or indirect, which will conflict with Grant Recipient's ability to impartially perform under, or complete the tasks described in, the agreement or any related grant programs. Grant Recipient acknowledges, understands, and accepts that Grant Recipient must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest. Grant Recipient acknowledges, understands, and accepts that the nature and extent of any actual, apparent, or potential conflict of interest may be a basis for disqualification from receiving any funds. Grant Recipient certifies, represents, and warrants that Grant Recipient will immediately advise the Grantee in writing of any potential new conflicts of interest as they arise.

- b. Cooperation With Audits: Grant Recipient shall cooperate fully, without delay, in all audits, inquiries, and investigations initiated by or on behalf of Grantee and/or the State of California concerning or relating to compliance with local, state, or federal air quality laws, and with Grant Recipient's agreement, including but not limited to timely submission of any and all records requested and full cooperation with any on-site inspections.
- c. Payment (Recapture) On Demand: Grant Recipient shall, upon notification by Grantee and/or CARB or their authorized representative(s) of an overpayment, a wrongful payment, or a violation of or failure to comply with any term or condition of the Grant Recipient agreement or program requirements or obligations, remit to Grantee or its authorized representative the requested amount within sixty (60) days from the date of issuance of said notice.
- d. Third-Party Beneficiary: Grant Recipient acknowledges, accepts, and agrees that the state of California, acting by and through CARB, is an intended third-party beneficiary to Grant Recipient's agreement. Grant Recipient shall name CARB and the State of California as third-party beneficiaries in all contracts, subcontracts, grants, subgrants, and other agreements entered into using Grant Funds, or for the purposes of carrying out any of the terms of Grant Recipient's agreement, and, upon request by CARB, to send to CARB a copy of said agreement.
- e. Authorized Signature: Grant Recipient agrees and acknowledges that it has signed or has authorized the signing of the agreement with the Grantee, and by doing so hereby declares under penalty of perjury, under the laws of the State of California, that all statements, responses, and information made or provided by Grant Recipient in or pursuant to the agreement are true and correct, with full knowledge that all statements, responses, and information are subject to investigation and that any incomplete, unclear, false, or dishonest statement, response, or information may be grounds for disqualification from receiving any existing or further funding or participating in any programs or projects using the CARB-provided or Grantee-provided funds, or from doing business with the State of California or the Grantee. Grant Recipient acknowledges, understands and accepts that by providing or

making any false statements or providing false information, Grant Recipient may be in violation of the California False Claims Act (Government Code Section 12650 et seq.). Grant Recipient certifies, represents, and warrants that the individual signing on the Grant Recipient's behalf herein is an authorized representative of Grant Recipient with full power and legal authority to sign and by said signature Grant Recipient is bound to and will comply with all terms, conditions, and obligations set forth in this agreement.

- f. **Compliance With Air Quality Laws:** Grant Recipient warrants and represents that it is in compliance with all applicable federal, state, and local air quality rules, regulations, and statutes ("air quality laws"), and that it shall remain in compliance with said air quality laws for the term of the agreement with Grantee. Grant Recipient understands, acknowledges, and agrees that compliance with applicable air quality laws is a precondition to the receipt or use of the Grant Funds and is a continuing obligation during the term of the agreement and for any other period required by federal, state, or local law. If payments of Grant Funds have not yet been made, Grant Recipient understands, acknowledges, and agrees that Grantee may, at its discretion, terminate Grant Recipient's agreement without any obligation to pay any Grant Funds to Grant Recipient for Grant Recipient's continuing violation of applicable air quality laws. If payments have been made, Grant Recipient understands, acknowledges, and agrees that Grantee may, at its discretion, require Grant Recipient to return some or all of the Grant Funds to the Grantee, in an amount determined by Grantee, for Grant Recipient's continuing violation of applicable air quality laws. Grant Recipient shall promptly return the Grant Funds to Grantee within the time specified by Grantee.
- g. **Non-Exclusive Remedies:** The remedies set out in this paragraph are contractual in nature. Nothing stated herein above in any way limits, prevents, or precludes the State of California or the Grantee from taking any enforcement action, exercising any police power, or prosecuting any violation of law against Grant Recipient, its employees, officers, agents, assigns, representatives, contractors, subcontractors, affiliates, grantees, sub-awardees, subgrantees, or any third parties.
- h. **Related Agreements:** Must also contain, at a minimum, all of the following:
  - i. A clear and accurate description of the material, products, or services to be procured.
  - ii. Sufficient detail to determine that funds will be appropriately utilized, which may include a budget, timeline, and other information as required by the grant program guidelines.
  - iii. Provisions for appropriate administrative, contractual, or legal remedies in instances where Grant Recipients violate or breach the contract or Grant Agreement terms.
  - iv. Provisions for termination by the Grantee, including termination procedures and the basis for settlement.
  - v. A statement that assignment of Grant Recipient's agreement will not be made without the advance written consent of Grantee and may be subject to CARB approval upon request by CARB.
  - vi. A provision regarding survival of terms, conditions, and provisions of the Grant Recipient

agreement, consistent with Section 51, Survival.

- vii. Language conforming to the following sections of this Grant Agreement: Additional Remedies for Non-Compliance; Audit; Availability of Funds; Compliance with Law; Confidentiality; Conflict of Interest; Executive Order N-6-22 – Russia Sanctions; Force Majeure; Funding Prohibitions for Sectarian Purposes and Non-Public Schools; Grantee’s Responsibility for Work; Incorporated Documents; Indemnification; Independent Contractor; Nondiscrimination; Office of Foreign Asset Control; Personally Identifiable Information (PII); Prevailing Wages and Labor Compliance; Professionals; Severability; and Third-Party Beneficiaries. Grantee is not required to use the exact language of these sections from this Grant Agreement, but the terms must have the same legal effect for the Grant Recipient as the sections in this Grant Agreement have for the Grantee.

## 11. ADVANCE PAYMENTS

- a. Consistent with the Legislature’s direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of Grant Funds in a timely manner to support the Grant program initiation and implementation.
- b. Grantee agrees that all advance payment requests submitted by Grantee will comply with the applicable provisions of Health and Safety Code Section 39603.1, Title 17 of the California Code of Regulations (C.C.R.) Sections 91040 to 91044, and Government Code Section 11019.3 (for advance payments to Grant Recipients). In the event that these laws are revised or applicable new laws enacted, such revised or new laws will supersede the provisions of this Section to the extent they conflict.
- c. Only CARB shall authorize an advance payment. CARB may provide advance payment to Grantee if CARB determines all of the following:
  - i. The advance payment is necessary to meet the purposes of the Grant program or project and is intended to alleviate a practical business or economic situation that would inhibit the program or project.
  - ii. The use of the advance payment is adequately regulated by Grant or budgetary controls, and is limited to the specific activities set forth in the Grant Agreement.
  - iii. Grantee shall revert all Grant Funds to CARB that are not liquidated by the term end date or if the Grant is terminated pursuant to the terms of this Grant Agreement. “Liquidate” means that all moneys allocated for the Grant have been spent by Grantee for eligible project expenses.
  - iv. The Grantee is either a small air district or meets all of the following criteria:
    - 1) Has no outstanding financial audit findings related to any of the Grant Funds eligible for advance payment.

- 2) Is in good standing with the Franchise Tax Board and Internal Revenue Service and, if the Grantee falls out of good standing with the Franchise Tax Board or Internal Revenue Service after advance payment is made, Grantee must return to any unliquidated Grant Funds to CARB. To the extent that Grantee is exempt from state or federal tax liability, Grantee may provide proof of such exemption in lieu of demonstrating good standing.
  - 3) Submits a spending plan to CARB for review prior to receiving the advance payment. "Spending plan" means an outline of how the advanced funds will be spent within the term of the Grant Agreement, including project schedules, timelines, milestones, and Grantee's fund balance for all state grant programs. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - 4) Reports to CARB any material changes to the spending plan within thirty (30) days of the material change. "Material changes" means a change to the spending plan of twenty-five percent (25%) or more in any line item in the spending plan.
- d. In the event of Grantee's nonperformance, Grantee shall return all Grant Funds received via advance payment that are not liquidated, pursuant to the terms of this Grant Agreement. Grantee shall provide a money transfer confirmation within forty-five (45) days upon the receipt of a notice from CARB.
- e. Grantee may, but is not required to, provide advance payment of Grant Funds to Grant Recipients that are within the scope of "Recipient Entity," as defined in Health and Safety Code Section 39603.1, subd. (b)(2)(A), subject to the following additional requirements:
- i. Advance payment to Grant Recipients is subject to prior approval from CARB.
  - ii. Grantee shall assume all legal and financial risk of the advance payment. If Grantee provides any funding from the advance payment to any Grant Recipient, Grantee shall be liable to CARB for any failures by Grant Recipients to ensure that the Grant Funds are used in accordance with state statutes, regulations, requirements, and the relevant terms and conditions of this Grant Agreement.
  - iii. CARB and Grantee shall prioritize advance pay to qualifying Grant Recipients and projects serving disadvantaged, low-income, and under-resourced communities, or organizations with modest reserves and potential cashflow problems.
  - iv. The advance pay shall not exceed twenty-five percent (25%) of the total amount or contract awarded to that qualifying Grant Recipient. At CARB's sole and absolute discretion, the advance pay may exceed the twenty-five percent (25%) limit if CARB has determined, in writing, that the project requires a larger advance, and the qualifying Grant Recipient provides sufficient justification and documentation for that larger advance.
  - v. Grantee shall only authorize advance payments up to the minimum immediate cash requirements necessary to carry out the purpose of the approved activity, program, or

project, as solely determined by CARB and subject to CARB's advance written approval of the qualifying Grant Recipient's workplan and written justification.

vi. The qualifying Grant Recipient shall:

- 1) Complete, and submit to Grantee, an Advance Payment Request Form. The Advance Payment Request Form shall be provided by CARB to the Grantee after the Grant execution.
- 2) Submit a certification to CARB of compliance with subsections 3) through 11) below, for each Advance Payment Request Form.
- 3) Submit documentation, as required by CARB, to support the need for advance payment, which may include, but is not limited to, invoices, contracts, estimates, payroll records, and financial records.
- 4) Demonstrate that Grant Recipient has no outstanding financial audit findings related to any of the Grant Funds eligible for advance payment; and, are in good standing with the California Franchise Tax Board and United States Internal Revenue Service, or if the entity is a private, non-profit organization, that they are in good standing as an organization exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code.
- 5) Provide an itemized budget for the eligible costs the advanced payment will fund, indirect or other costs needed to operate, and a spending plan, as defined in C.C.R., Title 17, Section 91041, subd. (k), developed in a form and manner specified by CARB.
- 6) Obtain insurance in an amount commensurate with the assessed risk, if required by CARB and stipulated within the Grant Recipient's agreement or contract.
- 7) Deposit any funds received as an advance payment into a federally insured account of the Grant Recipient that provides the ability to track interest earned and withdrawals. Any accumulated interest shall be deemed to be Grant or contract moneys, subject to federal and state laws and regulations, and the Grant Recipient shall report interest earned on the advance payment to CARB. The Grant Recipient's account shall be in the Grant Recipient's name, and not in the name of any of its directors, officers, partners of a partnership entity, or members of a limited liability company.
- 8) Establish procedures to minimize the amount of time that elapses between the transfer of funds and the expenditure of those funds by the Grant Recipient. Further advance payments may be made if Grant Recipient is able to demonstrate that a sufficient amount of previously advanced funds has been expended or that a plan is in place to ensure the expenditure of those funds in a timely manner, as determined by the CARB.

- 9) Provide progress reports on the expenditure of advanced funds no less than on a quarterly basis, consistent with all provisions of this Section, and as otherwise required by CARB.
- 10) Provide a final progress report to CARB following the expenditure of an advance payment that includes a summary of work completed, proof of expenditure, and other associated information as determined by CARB.
- 11) Return to CARB or the Grantee any unused portion of the advance payment, including interest earned on the advance payment, no later than thirty (30) calendar days after the termination, cancellation, or expiration of the Grant Recipient's agreement or contract, or such longer period as CARB may provide at its sole discretion.

## **12. ALTERNATIVE ENFORCEMENT**

The remedies set out in this Grant Agreement are contractual in nature. Nothing stated in this Grant Agreement in any way limits, prevents, or precludes the State of California from taking any enforcement action, exercising any police power, or prosecuting any violation of law.

## **13. AMENDMENT**

No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing and signed by authorized representatives of the Parties. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the Parties. Unless otherwise approved by CARB, requests for amendment of this Grant Agreement must be made at least thirty (30) days prior to the Grant term end date.

## **14. AMERICANS WITH DISABILITIES ACT (ADA)**

Grantee must ensure that writings, products, and services submitted, uploaded, or otherwise provided to CARB by Grantee or any Grant Recipients, which is intended to be publicly posted or otherwise distributed to the public by CARB, Grantee, and/or any Grant Recipients, comply with Web Content Accessibility Guidelines 2.0, level AA, and otherwise meet the accessibility requirements set forth in California Government Code Sections 7405 and 11135, Section 202 of the federal Americans with Disabilities Act (42 U.S.C. § 12132), and Section 508 of the federal Rehabilitation Act (29 U.S.C. § 794d) and the regulations promulgated thereunder (36 C.F.R. Part 1194) (collectively, the "Accessibility Requirements"). For any writing provided to CARB in PDF format, Grantee shall, upon request, also provide an electronic version in the original electronic format (for example, Microsoft Word or Adobe InDesign). Grantee's obligations under this provision do not apply to writings, products, and services submitted using forms, templates, or documents provided by CARB.

- a. CARB may require Grantee to provide proof of compliance with the requirements described above, and may, at its discretion, perform testing to verify compliance.
- b. Grantee agrees to respond to and resolve any complaint brought to its attention regarding accessibility of deliverables provided under this Grant.

- c. Deviations from the Accessibility Requirements are permitted only upon the written consent of CARB.

## **15. ASSIGNMENT**

This Grant is not assignable by Grantee, either in whole or in part, without the consent of CARB in the form of a written amendment signed by authorized representatives of both Parties.

## **16. AUDIT**

Grantee agrees that CARB, the California Department of General Services, the California Department of Finance, the California State Auditor, and/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 Grant funds received. Grantee agrees to maintain such records for possible audit for a minimum of five (5) years from the date of termination, cancellation, or expiration of this Grant Agreement or for five (5) years after a State-funded incentive activity has concluded, whichever is later. 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 a similar right of the State to audit records and interview staff in any agreement with any Grant Recipient related to performance of this Agreement.

## **17. AUTHORITY**

Each person executing this Grant Agreement on behalf of a Party represents that they are duly authorized to execute, bind, and deliver this Grant Agreement on said Party's behalf.

## **18. AVAILABILITY OF FUNDS**

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Grant does not appropriate sufficient funds for the program, this Grant shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or any Grant Recipient or to furnish any other considerations under this Grant and Grantee shall not be obligated to perform any provisions of this grant.

## **19. COMPLIANCE WITH LAW**

Grantee agrees that during the term of this Grant Agreement, it will, at all times, comply with, and require its Grant Recipients to comply with, all applicable federal, State, and local laws in performing under this Grant Agreement or any agreement funded by this Grant.

## **20. CONFIDENTIALITY**

Except as may be required by law, such as the California Public Records Act (California Government Code Section 7920.000 et seq.), court order, or legal process (such as a subpoena), no record which has been designated as confidential by CARB shall be disclosed by Grantee. If Grantee believes disclosure of a confidential record may be required by law, Grantee

shall first give CARB at least ten (10) calendar days' written notice prior to any planned disclosure so CARB can seek an order preventing disclosure from a court of competent jurisdiction.

Grantee acknowledges that it will identify any information it provides CARB that it asserts is confidential in accordance with California Code of Regulations, Title 17, Sections 91011 and 91022. Grantee acknowledges that, as provided in California Code of Regulations, Title 17, Section 91010, any information provided to CARB may be released (1) to the public upon request, except trade secrets which are not emission data or other information which is exempt from disclosure or the disclosure of which is prohibited by law, and (2) to the federal Environmental Protection Agency, which protects trade secrets as provided in the Clean Air Act, Section 114(c) and amendments thereto (42 USC 7401 et seq.) and in federal regulations. Grantee further acknowledges that CARB may anonymize and aggregate confidential information it receives and make such information public.

## **21. CONFLICT OF INTEREST**

Grantee certifies that it is, and shall remain, in compliance with all applicable State and federal conflict of interest laws during the entire term of this Grant Agreement. Grantee will have no interest, and shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially perform under, or complete the tasks described in, this Grant. Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the Grant term. CARB may consider the nature and extent of any actual, apparent, or potential conflict of interest in Grantee's ability to perform the Grant. Grantee must immediately advise CARB in writing of any potential new conflicts of interest throughout the term of this Grant Agreement.

## **22. CONSTRUCTION**

This Grant Agreement shall not be construed more strongly against either Party regardless of who is more responsible for its preparation.

## **23. CUMULATIVE REMEDIES**

The rights and remedies of the Parties to this Grant Agreement, whether pursuant to this Grant Agreement or in accordance with law, shall be construed as cumulative, and the exercise of any single right or remedy shall constitute neither a bar to the exercise of nor the waiver of any other available right or remedy.

## **24. DISBURSEMENT DEADLINE**

The funds specified in this Grant Agreement are intended to be disbursed by CARB to Grantee by June 30, 2027.

## **25. DISBURSEMENT REQUEST**

The Grantee shall initially submit a draft Grant Disbursement Request to the CARB Project Liaison to complete a Grant Disbursement Request package pre-review.

Grantee shall submit all Grant Disbursement Requests to CARB's Accounting Branch at [grants@arb.ca.gov](mailto:grants@arb.ca.gov) with a CC to [Kevin.Eslinger@arb.ca.gov](mailto:Kevin.Eslinger@arb.ca.gov). Grantee must submit this electronically, based on CARB's current electronic submission guidance at the time of request. Requests for payment must be made with the Grant Disbursement Request Form and contain all documentation required with the form.

Grant disbursement requests should be submitted by the Grantee to CARB no later than May 1, 2027 to ensure adequate time for processing prior to the end of CARB's fiscal year.

## 26. DISPUTES

Prior to exercising any rights or remedies which may arise as a result of any breach of this Grant Agreement, or for any disagreements or conflicts arising from the implementation of this Grant Agreement, the Party alleging the breach, disagreement, or conflict will provide the other Party written notice of the term or condition which is alleged to have been breached, or the disagreement or conflict that has arisen. Grantee shall continue with the responsibilities under this Grant Agreement during any such dispute, unless otherwise directed in writing by CARB. Grantee staff or management and CARB staff or management shall work together in good faith to resolve any such breach, disagreement, or conflict. However, any disputes that cannot be resolved at the management level within thirty (30) days from the date on the above written notice, or a longer period as CARB may provide at its sole discretion, shall be subject to resolution by the CARB Executive Officer, or their designated representative, in accordance with the other terms of this Grant Agreement. Such resolution may include termination of the Grant Agreement per Section 53, Termination. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law. This provision does not apply to Section 32, Force Majeure.

## 27. EARNED INTEREST

- a. "Earned interest" means any interest accrued from all Grant Funds provided to Grantee and held in an interest-bearing account.
- b. Grantee's use and accounting of earned interest shall comply with federal, State, and local laws; this Grant Agreement; and any applicable grant program guidelines, guidance documents, and/or implementation manuals.
- c. Earned interest shall be reported to CARB. All earned interest must be returned to CARB or reinvested in the EIDG Program in a manner consistent with applicable grant program guidelines or otherwise as approved by CARB in writing. Grantee is responsible for reporting to CARB everything that is funded with Earned interest.
- d. Grantee shall maintain accounting records (e.g. general ledger) that track earned interest accrued and expended, as follows:
  - i. The calculation of interest shall be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the Program.

- ii. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-Grant Funds.
  - iii. The methodology for calculating earned interest must be included in any policy and procedures manual or guidelines adopted by Grantee to administer this Grant program. If Grantee does not adopt such manual or guidelines, the methodology for calculating earned interest must otherwise be provided to CARB in writing upon request.
- e. Earned interest must be fully expended by May 1, 2027.
- f. Documentation of earned interest shall be retained for a minimum of five (5) years after it is generated. Documentation of interest expended on CARB-approved projects shall be retained for a minimum of five (5) years after the earned interest funds are fully expended.
- g. Grantee shall provide the above documentation in subparagraph (f) to CARB in the annual Status Reports and the final Status Report. CARB may, at its sole discretion, request copies of or review any of the above documentation in advance of or after receipt of any Status Reports or the final Status Report, and Grantee shall fully cooperate and comply with all such requests.

## **28. ENTIRE AGREEMENT**

This Grant Agreement constitutes the entire agreement and understanding between the Parties and supersedes and replaces any and all prior negotiations and agreements of any kind, whether written or oral, between the Parties concerning this Grant Agreement.

## **29. ENVIRONMENTAL JUSTICE**

In the performance of this Grant Agreement, Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that seeks to ensure the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, including priority populations (e.g., disadvantaged communities, low-income communities, and low-income households) of the State.

## **30. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts and grants with, and to refrain from entering any new contracts and grants with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that Grantee is a target of Economic Sanctions or is knowingly conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Grant Agreement pursuant to the terms of this Grant Agreement.

### **31. FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS**

Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracking of Grant Funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal, State, or local law and this Grant Agreement. Unless otherwise prohibited by federal, State, or local law, the Grantee further agrees that it will maintain a separate Grant Fund or ledger account to manage, administer, account for, and safeguard Grant Funds for their restricted use and purpose. Grant Funds are restricted funds and may not be used to supplement Grantee's other responsibilities or obligations. At a minimum, Grantee shall use generally accepted accounting principles.

As restricted funds, Grant Funds are not assets of the Grantee and shall not be used, obligated, or relied upon for any purposes other than those purposes and uses that are authorized under applicable law, this Grant Agreement, and any applicable grant program guidelines, guidance documents, and/or implementation manuals. Grant Funds shall not be used as collateral for any debt, loan, or other borrower commitments of Grantee or Grant Recipients. All Grant Fund accounts shall adequately and accurately depict all amounts received and expended. Where Grantee has received multiple grants from CARB, all Grant Fund accounts should adequately track funds for each grant award by reference to the specific grant number.

### **32. FORCE MAJEURE**

Neither CARB nor Grantee are liable for nor will be 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, government declaration of emergency, national or State declared pandemics, lockouts, labor disputes, fire, flood, earthquakes, or other physical natural disasters. If either Party intends to invoke this clause to excuse or delay performance, the Party invoking the clause must provide written notice to the other Party immediately, but no later than within fifteen (15) calendar days of when the force majeure event occurs and reasons that the force majeure event is preventing that Party from or delaying that Party in performing its obligations under this Grant.

Notwithstanding any other provision of this Grant Agreement, CARB may terminate this Grant Agreement immediately in writing without penalty to either party in the event Grantee invokes this clause. If the Grant Agreement is not terminated by CARB pursuant to this clause, upon completion of the event of force majeure, Grantee must, as soon as reasonably practicable, recommence the performance of its obligations under this Grant Agreement. Grantee must also provide a revised performance schedule to minimize the effects of the delay caused by the event of force majeure. A force majeure event does not relieve a Party from liability for an obligation which arose before the occurrence of that event.

### **33. FUNDING PROHIBITIONS FOR SECTARIAN PURPOSES AND NON-PUBLIC SCHOOLS**

Grantee and Grant Recipients may use or authorize the use of CARB-provided funds only in any manner that is consistent with applicable laws, including California Constitution, Article XVI, Section 5, and Article IX, Section 8 (prohibiting grant fund awards to non-public schools), and federal law. CARB reserves the right to obtain additional information from Grantee and others to determine compliance with the California Constitution, Article XVI, Section 5, and Article IX,

Section 8. Failure by Grantee to provide any information requested by CARB may result in denial of Grant Funds or termination of this Grant Agreement pursuant to the terms of this Grant Agreement.

### **34. GENERATIVE ARTIFICIAL INTELLIGENCE (GENAI) USE AND REPORTING**

a. Definitions:

- i. "Generative AI (GenAI)" means "an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data." (Gov. Code Section 11549.64.)
- ii. "Deliverable" means "software, services, goods, works of authorship, and any other items (e.g., reports, documentation) to be delivered pursuant to this Grant Agreement, including any incidental items."

b. Grantee must notify CARB in writing, within fifteen (15) days, or a longer period agreed to by CARB, and require their Grant Recipients to notify CARB in writing in the same timeframe, if they:

- i. Intend to provide GenAI as a deliverable to CARB; or,
- ii. Intend to utilize any previously unreported GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts:
  - 1) Functionality of a State system;
  - 2) Risk to the State; or,
  - 3) Performance under this Grant Agreement.

For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) Section 4986.2 Definitions for GenAI.

c. Notification shall be provided to CARB's Project Liaison identified in this Grant Agreement.

d. At the direction of CARB, Grantee shall discontinue, and require their Grant Recipients to discontinue, the provision to CARB of any previously unreported GenAI that results in a material impact to the functionality of a State system, risk to the State, or Grant performance, as determined by CARB.

e. If the use of previously undisclosed GenAI is approved by CARB, then upon request by CARB, Grantee will amend the Grant Agreement accordingly, and their related agreements with Grant Recipients, which may include incorporating the GenAI Special Provisions into these agreements, at no additional cost to the State.

- f. CARB, at its sole discretion, may consider Grantee's failure to disclose or discontinue the provision or use of GenAI as described above, or to incorporate terms as requested in this Section into their agreements with Grant Recipients, to constitute a material breach of the Grant Agreement when such failure results in a material impact to the functionality of the system, risk to the State, or Grant performance. CARB is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the Grant Agreement pursuant to the terms stated herein.

### **35. GOVERNING LAW AND VENUE**

This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and 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, Sacramento location. Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.

### **36. GRANTEE'S RESPONSIBILITY FOR WORK**

CARB shall not be responsible for disputes arising out of Grantee's contracts or agreements for work on a project funded by this Grant Award, including but not limited to payment disputes with Grant Recipients. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance or payment of work under this Grant Agreement.

### **37. INCORPORATED DOCUMENTS**

Grantee will administer this Grant according to the requirements described in the following documents, which are incorporated by reference into and made a part of this Grant Agreement:

[There are no incorporated documents]

### **38. INDEMNIFICATION**

Grantee agrees to indemnify, defend, and hold harmless the State of California, CARB, and its/their officers, employees, agents, representatives, and successors-in-interest against and for any liability, loss, and expense, including reasonable attorneys' fees, from and for any and all claims for injury or damages (collectively, "Losses") arising out of Grantee's or any Grant Recipient's performance of this Grant Agreement, except for Losses arising out of the gross negligence or willful misconduct of CARB.

### **39. INDEPENDENT CONTRACTOR**

Grantee, and its Grant Recipients, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State of California.

### **40. INSURANCE**

Unless Grantee is self-insured, Grantee shall add the State of California as an additional

insured on all insurance policies it carries in relation to this Grant during the Term of this Grant Agreement. Grantee and all Grant Recipients shall maintain all insurance as required by federal, State, or local law.

If Grantee is self-insured, in whole or in part, Grantee shall provide CARB with written acknowledgement of this fact at the time of the execution of this Grant Agreement. CARB may require financial information to justify Grantee's self-insured status. If at any time after the execution of this Grant Agreement, Grantee abandons its self-insured status, Grantee shall immediately (by the next business day) notify CARB of this fact and shall comply with all of the terms and conditions of this Section pertaining to insurance requirements.

#### **41. LIQUIDATION AND RETURN OF FUNDS**

Funds not liquidated by May 1, 2027 must be returned to CARB by June 30, 2027. "Liquidate" means that all moneys allocated for the Grant have been spent by Grantee for eligible project expenses. Liquidate includes expenditure of Grant Funds related to performance under the grant program and not due to any loss incurred in an uninsured or under insured bank or investment account.

In the event the Grant is terminated prior to the term end date, Grantee shall transfer to CARB all Grant Funds that are not liquidated, including any advance payment and any earned interest, within thirty (30) days of the notice of termination, or a longer period as CARB may provide in its sole discretion. This shall include Grant Funds remaining after accounting for (1) expenses incurred, and (2) funds encumbered in agreements for the purchase or lease of equipment that were executed before receipt of the termination notice. Upon demand by CARB, such funds shall also include Grant Funds recaptured by the Grantee pursuant to Section 9, Additional Remedies for Non-Compliance, subsection c. and Section 10, Additional Required Terms for Grant Recipient Agreements Funded by this Grant, subsection c. Grantee shall report to CARB any Grant Funds committed in executed equipment-purchase agreements that are not spent within one year of the termination notice and shall return said funds to CARB upon demand.

#### **42. NONDISCRIMINATION**

- a. During the performance of this Grant Agreement, Grantee shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, veteran or military status, or any other characteristic protected by law, or unlawfully deny family-care leave, medical-care leave, pregnancy-disability leave, or other legally-protected leave. Grantee shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination and harassment. Grantee shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 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 4.1 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.

- b. During the performance of this Grant, Grantee shall comply with the provisions of California Government Code Section 11135; Title VI of the U.S. Civil Rights Act of 1964; Section 504 of the federal Rehabilitation Act of 1973; the federal Age Discrimination Act of 1975; Section 13 of the Federal Water Pollution Control Act of 1972; and U.S. Environmental Protection Agency's implementing regulations at 40 C.F.R. Parts 5 and 7.
- c. Grantee shall give written notice of their respective obligations under this clause to labor organizations with which any may have a collective bargaining or other agreement.
- d. Grantee shall permit access by representatives of the California Civil Rights Department, CARB, or U.S. Environmental Protection Agency (U.S. EPA) upon reasonable notice to access all sources of information as required to ascertain compliance with this clause.
- e. Grantee acknowledges and agrees that, pursuant to Government Code Section 11136, whenever CARB has reasonable cause to believe that Grantee or Grant Recipients has violated any of the provisions of Government Code Section 11135 or Section 12900 et seq., or any of the provisions of California Civil Code Sections 51, 51.5, 51.7, 54, 54.1, or 54.2, or any regulation adopted to implement these sections or Article 1 (commencing with Government Code Section 12960) of Chapter 7 of the Government Code, then CARB will notify Grantee or, where applicable, the Grant Recipient, of such violation and will submit a complaint detailing the alleged violations to the California Civil Rights Department for investigation and determination pursuant to Government Code Sections 11136 and 12960 et seq.
- f. Grantee acknowledges and agrees that in the event of Grantee's or its Grant Recipients' noncompliance with this provision, Grantee or Grant Recipient may be subject to remedial action determined appropriate and consistent with applicable law by CARB, the California Civil Rights Department, or the U.S. EPA, including but not limited to termination of this Grant Agreement pursuant to the terms of this Grant Agreement.
- g. Grantee acknowledges that CARB's Civil Rights Policy applies to this Grant Agreement and CARB will administer this Grant consistent with such policy. The policy may be found at: <https://ww2.arb.ca.gov/civil-rights-office>
- h. Grantee shall include the provisions of Section 42, Nondiscrimination in all contracts, subcontracts, and agreements, including but not limited to those with Grant Recipients, where work is performed to fulfill any term or condition of this Grant Agreement. Grantee shall notify CARB if it becomes aware that a Grant Recipient has violated the provisions of this Section and take appropriate remedial action as required by law or by CARB.

#### **43. OFFICE OF FOREIGN ASSET CONTROL**

Transactions may be or are prohibited if they involve the property or interests in property of an entity or individual listed on the Office of Foreign Asset Control (OFAC) targeted lists. OFAC publishes lists of targeted individuals, groups, and entities, which can be found at <https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>. Refer also to the U.S. Department of the Treasury website:

<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>. The property and interests in property of an entity that is fifty percent (50%) or more owned by one (1) or more persons whose property and interests in property are blocked pursuant to any part of Code of Federal Regulations Title 31, Chapter V are also blocked, regardless of whether the entity itself is listed.

Grantee shall include in all recipient agreements an acknowledgment that the Grant Recipient and its agents and property are not in violation of any federal law pertaining to any entity or individual listed on any of the OFAC lists. Grantee shall notify CARB within fifteen (15) calendar days if it has knowledge that Grantee or any Grant Recipient is in violation of any federal law pertaining to any entity or individual listed on any of the OFAC lists.

#### **44. ORDER OF PRECEDENCE**

In the event of any inconsistency between the exhibits, attachments, specifications, or provisions which constitute this Grant Agreement, the following order of precedence shall apply:

- a. Grant Agreement Cover Sheet
- b. Any grant/program-specific Terms, including grant program guidelines or implementation manuals as incorporated into this Grant Agreement.
- c. Grant Agreement General Terms and Conditions
- d. All other Exhibits incorporated into the Grant Agreement or as otherwise listed on the Grant Agreement Cover Sheet.

#### **45. PARAGRAPH HEADINGS**

The headings and captions of the various paragraphs, subparagraphs and sections hereof are for convenience only, and they shall not limit, expand, or otherwise affect the construction or interpretation of this Grant Agreement.

#### **46. PERSONALLY IDENTIFIABLE INFORMATION (PII)**

Information or data that personally identifies an individual or individuals is confidential in accordance with relevant State or federal statutes and regulations. Grantee shall comply with all applicable State or federal statutes or regulations regarding the receipt, use, storage, and release of PII, including by safeguarding all such information or data which comes into their possession under this Grant Agreement and not releasing or publishing any such information or data, except as required by law, court order, or legal process (such as a subpoena).

#### **47. PREVAILING WAGES AND LABOR COMPLIANCE**

Where applicable, Grantee agrees to be bound by and comply with all the provisions of California Labor Code Section 1771 et seq. regarding prevailing wages. Grantee shall ensure that all agreements subject to reimbursement from this Grant Agreement include language requiring compliance with the applicable provisions of California Labor Code Sections 1720-

1861.

#### **48. PROJECT EQUIPMENT**

Project Equipment means any products, objects, vehicles, computers, hardware, vessels, engines, machinery, apparatus, implements or tools acquired by Grantee. All such Project Equipment shall be used for the Grant project or program for which it was acquired and for as long as needed or required by the Grant project or program. All such Project Equipment shall be primarily, but need not be exclusively, used for such Grant project or program.

#### **49. PROFESSIONALS**

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.

#### **50. 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, shall not be affected.

#### **51. SURVIVAL**

All provisions in this Grant Agreement shall survive its termination, cancellation, or expiration, except the following sections (unless otherwise required by law): Additional Required Terms for Grant Recipient Agreements Funded by This Grant; Americans with Disabilities Act (ADA); Assignment; Compliance with Law; Conflict of Interest; Disbursement Deadline; Disbursement Request; Environmental Justice; Executive Order N-6-22 – Russia Sanctions; Force Majeure; Funding Prohibitions for Sectarian Purposes and Non-Public Schools; Generative Artificial Intelligence (GenAI) Use and Reporting; Insurance; Nondiscrimination (except for 42.d); Office Of Foreign Asset Control; Prevailing Wages and Labor Compliance (if applicable); Professionals; and Timeliness.

#### **52. TERM**

This Grant Agreement shall be effective upon full execution of the Grant Agreement Cover Sheet and shall continue in full force and effect until the Grant Agreement expires, twelve (12) months after the date of execution, the Grant Agreement is terminated, or all conditions of the Grant Agreement have been met, whichever occurs first. This Grant Award is conditional based on CARB receipt and approval of a fully executed Grant Agreement.

#### **53. TERMINATION**

CARB may terminate this Grant Agreement with cause by written notice at any time prior to completion of projects funded by this Grant Award. Termination with cause means a violation by Grantee of any provision of this Grant Agreement after such violation has been called to the

attention of Grantee and after failure of the Parties to resolve the dispute pursuant to Section 26, Disputes.

#### **54. TIMELINESS**

Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Projects funded by this Grant Agreement in an expeditious manner.

#### **55. THIRD-PARTY BENEFICIARIES**

Grantee represents, warrants and agrees that CARB and the State of California are third-party beneficiaries in all contracts, subcontracts, grants, subgrants and other agreements entered into using Grant Funds, or for the purpose of carrying out any of the terms or conditions of this Grant Agreement during the Term.

The existence of this Grant Agreement does not create, and nothing stated in this Grant Agreement creates, rights in or grants remedies to any third party or third parties, other than CARB and the State of California as stated in this Section, as a beneficiary or beneficiaries of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

#### **56. 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 provided for in this Grant Agreement to either Party are in addition to any other rights and remedies provided by law.

**EXHIBIT B  
BUDGET SUMMARY**

Grantee: Mendocino County Air Quality Management District

Grant Agreement No.: G25-EIDG-15

Project: Quality Assurance Review of Point Source Emissions Data

Total Costs & Funding

<b>COSTS</b>	<b>GRANT</b>
<b>Total Project Funds</b>	<b>\$ 8,583.00</b>

**EXHIBIT B, ATTACHMENT 1  
PROJECT DISBURSEMENT SCHEDULE**

Grantee: Mendocino County Air Quality Management District

Grant Agreement No.: G25-EIDG-15

Project: Quality Assurance Review of Point Source Emissions Data

<b>MILESTONE DESCRIPTION</b>	<b>SCHEDULED PAYMENT OF GRANT FUNDS</b>
Review and update facility information and emissions data for facilities that were in operation in 2025	\$ 7,725.00 (90 percent)
Submittal of Final Report to CARB <b>(no later than May 1, 2027)</b>	\$ 858.00 (10 percent)
<b>Grant Agreement Total Funding Amount</b>	<b>\$ 8,583.00</b>

**EXHIBIT B, ATTACHMENT 2  
PROJECT SCHEDULE**

Grantee: Mendocino County Air Quality Management District

Grant Agreement No.: G25-EIDG-15

Project: Quality Assurance Review of Point Source Emissions Data

<b>WORK TASK</b>	<b>TIMELINE</b>
Contract Start Date	05/31/2026
District Governing Board Approval	08/31/2026
Kick Off Meeting	TBD
Update Facility Information and Emissions Data for Facilities That Were in operation in 2025	08/2026
Progress Report	12/01/2026
Draft Final Report	03/01/2027
Final Report	05/01/2027