

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CALIFORNIA AIR POLLUTION CONTROL OFFICERS ASSOCIATION
AND THE SHASTA COUNTY AIR QUALITY MANAGEMENT DISTRICT
WOODSMOKE REDUCTION PILOT PROGRAM
FISCAL YEAR 2016-2017 APPROPRIATION**

The California Air Pollution Control Officers Association ("CAPCOA") and the Shasta County Air Quality Management District (District) hereby enter into this Memorandum of Understanding ("MOU"), which shall be effective after execution by both parties.

RECITALS

WHEREAS, CAPCOA has entered into a grant agreement, which is attached hereto as Appendix A (Appendix A), with the California Air Resources Board (CARB) to administer \$5 million in fiscal year 2016-2017 funds appropriated from the Greenhouse Gas Reduction Fund for a state-wide program replacing uncertified, inefficient wood burning devices with cleaner-burning and more efficient devices, getting reductions in greenhouse gases and related co-benefits of particulate and toxic pollutants reductions; and

WHEREAS, the CARB/CAPCOA grant agreement requires CAPCOA to administer the program through the local air pollution and air quality management districts;

WHEREAS, the District has affirmed its interest in participating in the Woodsmoke Reduction Program;

NOW, THEREFORE, in consideration of the terms, conditions and covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. The District agrees to abide by any applicable terms and commitments of the Woodsmoke Reduction Pilot Program Guidelines (Exhibit D of Appendix A) dated September 26, 2017 as part of the Climate Investments' Cap-and-Trade Auction Proceeds' Funding Guidelines for Agencies that Administer California Climate Investments (Funding Guidelines), found on the Cap-and-Trade Auction Proceeds Funding Guidelines for Administering Agencies website <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/draftrevisedfundingguidelines.pdf? qa=2.18846717.535470488.1524262976-1262467119.1463676161>
2. The District agrees to submit a workplan to CAPCOA for review and approval prior to being allocated funds under the program. The workplan shall provide a description of policies and procedures meeting the requirements of Appendix A. CAPCOA agrees to provide the funds to the District within 30 days of approving the District workplan.
3. District shall place funds advanced in an interest-bearing account and District shall track and report interest accrued on these funds. Interest earned on the funds shall only be used for eligible grant-related expenses.
4. The District understands that additional funding may be available from unallocated funds and funds that may be returned or declined by other participating districts. The District will notify CAPCOA in writing in the event it has allocated all funds to eligible projects and requests additional available funds. If additional funds are

available CAPCOA will allocate the funding to Districts based on location, date of request, and demonstrated need. CAPCOA shall amend the District's Grant Award Cover Sheet.

5. The District will provide quarterly progress reports detailing project information and payments in a format approved and provided by CAPCOA, which at a minimum shall include the information necessary to satisfy the reporting and recordkeeping provisions of sections 8 and 10 of Appendix A. The District agrees to advise CAPCOA if its program is underperforming, and to undergo efforts to improve the performance of the program in order to expend the funding in a timely manner or return to CAPCOA unused funds. The District will return the funds within 45 days of a request from CAPCOA.
6. The District acknowledges that information reported under this Agreement may be made publicly available subject to Section 10.4 in Appendix A.
7. If the District does not comply with the requirements as specified in this MOU and the CAPCOA-approved work plan, the District will return any unallocated funds to CAPCOA, if requested by CAPCOA or CARB. The District agrees that funds to be returned may include any spent on non-compliant projects as well as balances of the unallocated District funds, as determined by CAPCOA, within 45 days of a request from CAPCOA.
8. The District agrees to indemnify, defend and hold harmless CAPCOA and its employees, agents, representatives 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 District's distribution of funds allocated to District hereunder.
9. The District and CAPCOA acknowledge the Project Milestones outlined in Appendix B;
10. Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The District shall safeguard all such information or data which comes into its possession under this agreement in accordance with law, and shall not release or publish any such information or data, except as otherwise authorized by law.
11. This MOU may be terminated by either party by giving a 30 day written notice to the other, in which case any unallocated funds received by the District must be returned to CAPCOA, within 45 days of a request from CAPCOA.

12.1 INSURANCE REQUIREMENTS

District shall require that its contracts with persons or entities who will be participating in the Woodsmoke Reduction Program (the "Installer/Contractors") contain the insurance requirements in Paragraphs 12.1, 12.2, 12.3, and 12.4.

a. Coverage Term: Installer/contractor insurance coverage shall be procured by each Installer/Contractor and shall be in force for the complete term of the project agreement. If insurance expires during the term of the project agreement, a new certificate must be received by the District and provided to CAPCOA at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the project agreement

b. Policy Cancellation or Termination and Notice of Non-Renewal: Installer/contractor is responsible to notify the District within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event Installer/contractor fails to keep in

effect at all times the specified insurance coverage, the District may, in addition to any other remedies it may have, terminate the project agreement upon the occurrence of such event, subject to the provisions of this Grant Agreement.

c. Deductible: Installer/contractor is responsible for any deductible or self-insured retention contained within their insurance program.

d. Primary Clause: Any required insurance contained in the project agreement shall be primary, and not excess or contributory to any other insurance carried by the District or CAPCOA.

e. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Installer/contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

f. Endorsements: Any required endorsement must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

g. Inadequate Insurance: Inadequate or lack of insurance does not negate the Installer/contractor's obligations under the Agreement.

h. Satisfying an SIR: All insurance required by this Grant Agreement or the project agreements must allow the State to pay and/or act as the Installer/contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the Installer/contractor's agent in satisfying any SIR is at the District's discretion.

i. Available Coverages/Limits: All coverage and limits available to the Installer/contractor shall also be available and applicable to the District.

j. Subcontractors/Manufacturers: In the case of Installer/contractor's utilization of subcontractors/manufacturers to complete the contracted scope of work, Installer/contractor shall include all subcontractors/manufacturers as insured under Installer/contractor's insurance or supply evidence of insurance to the District equal to policies, coverages, and limits required of Installer/contractor.

12.2 Commercial General Liability

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

12.3 Automobile Liability

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

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

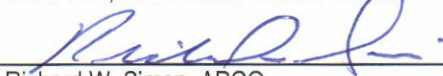
12.4 Workers' Compensation and Employers' Liability

Installer/contractor must furnish to the District a certificate of insurance to remain in effect at all times during the term of this Agreement. Installer/contractor shall maintain statutory workers' compensation and employers' liability for all its employees who will be engaged in the performance of the Agreement. Employers' liability limits of \$1,000,000 are required. A sample form is included in Exhibit C. of Appendix A.

13. District agrees that CAPCOA, 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 in accordance with Appendix A. The District 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.
14. The District agrees to acknowledge the California Climate Investments (CCI) logo and name as a funding source from the California Air Resources Board's (CARB) Woodsmoke Reduction program whenever projects funded in whole or in part by this Agreement are publicized in any new media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: "This publication (or project) was supported by the "California Climate Investments" (CCI) program." Guidelines for the usage of the CCI logo can be found at www.arb.ca.gov/ccifundingguidelines.
15. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

SHASTA COUNTY AIR QUALITY MANAGEMENT
DISTRICT, Air Pollution Control Officer


Richard W. Simon, APCO

5/3/2018
Date

CALIFORNIA AIR POLLUTION CONTROL
OFFICERS ASSOCIATION


Mike Villegas, President

May 23, 2018
Date

Appendix A: Grant Agreement between the California Air Pollution Control Officers Association and the California Air Resources Board dated February 1, 2018.

Appendix B: Project Milestones/Schedule of Payments

Task	Milestone Description	Scheduled Payment of Grant Funding	
		Project Funds	Administrative Funds
1	Execute Grant Agreement (no later than June 1, 2018)		
2	Submit project plan for approval		
	Project plan approval	\$112,500	
3	Begin installations		
4	Submit quarterly reports		Receive total administrative funding less 10% withholding (\$10,687.50)
5	Complete installations		
6	Final payment requests submitted to CAPCOA (no later than December 31, 2019)		
7	Submit "Closeout" report (no later than January 31, 2020)		Remaining 10% administrative withholding (\$1,187.50)