

**MEMORANDUM OF AGREEMENT
OF COALITION TO ACCEPT
U.S. ENVIRONMENTAL PROTECTION AGENCY GRANT
EPA-R-OAR-CPRGI-23-07**

THIS MEMORANDUM OF AGREEMENT of Coalition to Accept U.S. Environmental Protection Agency Grant (“MOA”) is made and entered into on _____, by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation incorporated under the Metropolitan Water District Act of the State of California (Stats. 1969, Ch. 209 as amended) (“Metropolitan”) and the Coalition Members listed in the recitals below (collectively referred to herein as “Parties” or individually as a “Party”).

RECITALS

A. On January 16, 2024, the U.S. Environmental Protection Agency (“EPA”) issued its amended Notice of Funding Opportunity for its Climate Pollution reduction Grants Program: Implements Grants General Competition, Funding Opportunity No. EPA-R-OAR-CPRGI-23-07 (“Grant”).

B. On April 1, 2024, Metropolitan submitted its “2024 Climate Pollution Reduction Grant Application for Targeted ZEVs & Infrastructure for Water Utilities” (“Application”) on behalf of itself and the following ten public agencies, which were all created out of California state law (collectively referred to herein as “Coalition Members”):

1. Anaheim Public Utilities, a _____
2. Calleguas Municipal Water District, a municipal water district, created and operating under the authority of the Municipal Water District Act, California Water Code §§ 71000, et seq.
3. City of Chino, a _____
4. City of Compton, a _____
5. City of Fullerton, a _____
6. City of Pomona, a _____
7. Inland Empire Utilities Agency, a _____
8. Monte Vista Water District, a _____
9. Three Valleys Municipal Water District, a _____
10. West Basin Municipal Water District, a _____

C. This MOA between Metropolitan as a lead applicant and the Coalition Members is to accept federal funds to perform the work outlined in the Application.

D. As set forth in the Application, the Parties desire to use the federal grant funds to develop a program to replace existing water infrastructure utility vehicles with electric vehicles (“EVs”) and zero emission vehicles (“ZEVs”), and they believe it may be done more efficiently via this Coalition.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals, the Parties hereby agree to the following:

A. Purpose of the MOA & Operation Model.

1. The purpose of the MOA is to create a Coalition to use the requested grant funds to create a program to replace internal combustion engine (“ICE”) water utility trucks with electric motor trucks powered by batteries. The program will be called the ZEVs for Water Utilities Program (“Program”). Metropolitan will serve as the lead applicant and will create separate Program agreements with each Coalition Member outlining the process and procedures required to receive the funding for each vehicle purchased.

2. Replacing ICE vehicles with ZEVs will help reduce direct emissions associated with burning fossil fuels, such as carbon dioxide (“CO₂”), nitrogen oxides (“NO_x”), and particulate matter (“PM”). The final greenhouse gas emissions (“GHG”) target for the program is a calculated emission factor measured in metric tons of CO₂ (“MT CO₂ e”).

3. In the Application, Metropolitan and the Coalition Members requested a total of \$48,608,138 to implement the Program. The proposed Program seeks to replace approximately 440 mid-size and heavy-duty trucks with electric trucks by the year 2030, which is estimated to yield a reduction of 41,424 MT CO₂ e by the year 2044. It is anticipated that the Coalition Members will expend \$232,739,438 for charging infrastructure.

4. The Program would provide the marginal costs of replacing utility vehicles with EVs instead of ICE vehicles, and will fund staff capacity for the management and successful implementation of the Program.

B. Coalition Member Benefits.

1. The primary goal of the Program is to reduce GHG and the residents of the Coalition Members’ service area will directly benefit from the pollution reductions. Additionally, the Program will provide funding, employee training, charging station installation support, and outreach materials and support to promote the use of EVs.

2. The Program is a pioneering, replicable, and scalable operation to increase the deployment of ZEVs for water utility fleets serving predominately disadvantaged communities. The Program will also leverage resources to contract with dealerships, consultants, and charger manufacturers that offer bulk purchase discounts. This streamlined approach and discounts may also be shared with other utilities that do not receive CPRG funding but may have their own funding. This Program will be poised to support utilities with funding available that may only be lacking staffing capacity.

3. This Program will provide five-years of funding for two engineers, a fleet program manager, a Climate Action Plan program manager, and outreach staff members that will help support the coalition and the region to develop plans, outreach materials, contracts, and reports. Having a team of ZEV experts available to water utilities is a transformative opportunity that will not only ensure that GHG reduction targets of this Program are achieved but will also accelerate GHG reductions for other utilities in the region.

4. The variations in the size of the fleets and service area of each Coalition Member allow for in-place real life studies of various ZEVs and infrastructure which can be used by other utilities. Also, the adoption of ZEVs by utilities in disadvantaged communities, combined with outreach efforts, sets an example to residents on sustainability and the adoption of new technologies. This type of marketing can lead to the adoption of more ZEVs in the community.

C. Roles and Responsibilities.

1. Lead Applicant. Metropolitan agrees to act as the lead applicant and will be accountable to EPA and accepts full responsibility for effectively carrying out the full scope of work and the proper financial management of the grant. Metropolitan also intends to undertake the following actions, to the extent feasible:

- i. Establish the regional Water Utilities Task Force within three months of award notice.
- ii. Fill vacant staff positions within six months of the receipt of the award notice.
- iii. Procure contracts with consultants and vendors for the use of all Coalition Members within six months of award notice.
- iv. Develop Program agreements with Coalition Members on the process to disseminate funds and support for the Program implementation within six months of award notice.
- v. Track progress and expenditures for entire Program.
- vi. Submit progress reports and final reports to EPA.
- vii. Undergo an audit pursuant to 2 C.F.R. Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year will equal or exceed the threshold set forth in 2 C.F.R. 200.501, Audit requirements.

2. Coalition Members. Each Coalition Members acknowledges that they are grant subrecipients and will be accountable to comply with all the requirements and laws including in any EPA grant award to Metropolitan. Each Coalition Member will be accountable to Metropolitan for proper use of EPA funding and successful project implementation. Each Coalition Member also intends to undertake the following actions, to the extent feasible:

- i. Designate a Program lead.
- ii. Participate in coalition meetings.
- iii. Purchase of vehicles and charging stations.
- iv. Track costs of planning, design, and installation of charging stations.
- v. Track progress and expenditures.
- vi. Complete and execute Metropolitan's subrecipient agreement.
- vii. Complete and submit accurate reimbursement requests in a timely manner to the appropriate Metropolitan staff as outlined in the subrecipient agreement.
- viii. Maintain and provide to Metropolitan Program related receipts, invoices, and backup documentation to support reimbursement requests, and any additional documentation requested by Metropolitan related to grant reimbursement requirements.
- ix. Undergo an audit pursuant to 2 C.F.R. Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year will equal or exceed the threshold set forth in 2 C.F.R. 200.501, Audit requirements.

x. Comply with all Metropolitan subaward agreement requirements, funding obligations, and applicable local, state and federal laws, rules and regulations.

D. Grant Term.

The Parties acknowledge that the grant start date is October 1, 2024 and the end date is September 30, 2029, and that these dates may be extended by EPA. If awarded the grant, each Party commits to participation in the MOA for the grant term, as extended over time, and until all grant obligations are satisfied. The Parties agree to confirm in writing when the grant is completed and terminate this MOA at that time.

E. General Terms and Conditions:

1. **Recitals.** The above Recitals are true and correct, and are binding in the same manner as the terms of the MOA.

2. **Waiver of Fees.** The Parties agree to waive any Party fees for services regarding the Program, including but not limited to, reviews, permits, inspections, design review, and the like.

3. **Meet and Confer.** If an issue arises that is not contemplated by this MOA, then the Parties agree to meet and confer on such issue and make a good faith effort to resolve the issue at the staff level.

4. **Audit by Federal Government.** In the event of an audit by the federal authorities, the Parties agree to cooperate fully in such audit process and provide documentation necessary to complete the audit.

5. **No Impact on Prior Agreements / Compliance with Law.** Nothing in this MOA terminates or otherwise impacts any other agreements or arrangements between the Parties unless specifically included within this MOA. All obligations within this MOA are to be interpreted and undertaken in compliance with all applicable local, state and federal laws. To the extent such local, state, or federal laws are amended, this MOA is to be interpreted and obligations undertaken in compliance with such amended laws without need of amending this MOA.

6. **Entire Agreement and Amendments.** This MOA, the Application, and all related grant documents represent the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This MOA may be amended only by written instrument signed by both Parties.

7. **Electronic Signatures and Counterparts.** This MOA may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf format and sent by electronic mail shall be deemed original signatures.

8. **Authority.** The individuals executing this MOA and the instruments referenced herein on behalf of Party each represent and warrant that they have the legal power, right and actual authority to bind the Party to the terms and conditions hereof and thereof.

(Signatures start on the following page)

SIGNATURE PAGE FOR THE MEMORANDUM OF UNDERSTANDING

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By _____
Adel Hagekhalil, General Manager

APPROVED AS TO FORM

By _____
Catherine M. Stites
Principal Deputy General Counsel

ANAHEIM PUBLIC UTILITIES

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

CALLEGUAS MUNICIPAL WATER DISTRICT

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

CITY OF CHINO

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

CITY OF COMPTON

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

CITY OF FULLERTON

By _____

_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

CITY OF POMONA

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

INLAND EMPIRE UTILITIES AGENCY

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

MONTE VISTA WATER DISTRICT

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

THREE VALLEYS MUNICIPAL WATER DISTRICT

By _____
_____, General Manager

APPROVED AS TO FORM

By _____
_____, General Counsel

WEST BASIN MUNICIPAL WATER DISTRICT

By _____
_____, General Manager

APPROVED AS TO FORM

By _____

MAY 15, 2024 DRAFT

ATTACHMENT 1

_____, General Counsel