MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: November 30, 2009
Subject: JFO #2407

The Joint Fiscal Committee has reviewed the following item and agreed to waive the remainder of the statutory review period and consider the Governor’s approval of the item as final:

JFO #2407 — $612,000 grant from the U.S. Environmental Protection Agency (EPA) to the Agency of Commerce & Community Development. These grant funds will be used to establish a special revolving loan fund for brownfield projects that are “shovel-ready”. This grant is a competitive award under the American Recovery and Reinvestment Act (ARRA).

[JFO received 11/09/09]

We ask that you inform the Secretary of Administration and your staff of this action.

cc: Kevin Dorn, Secretary
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: November 12, 2009
Subject: Grant Requests

Enclosed please find seven (7) requests that the Joint Fiscal Office has received from the administration:

**JFO #2407** — $612,000 grant from the U.S. Environmental Protection Agency (EPA) to the Agency of Commerce & Community Development. These grant funds will be used to establish a special revolving loan fund for brownfield projects that are “shovel-ready”. **This grant is a competitive award under the American Recovery and Reinvestment Act (ARRA) and expedited approval of this item has been requested.** The Joint Fiscal Committee members will be contacted within two weeks with a request to waive the statutory review period and accept this item.  

[JFO received 11/09/09]

**JFO #2408** — $26,190 grant from the U.S. Health Resources and Services Administration to the Department of Health. These grant funds will be used to support the recruitment and retention of primary care providers via a subgrant to the Vermont State Primary Care Offices (PCO). **This grant is a competitive award under the American Recovery and Reinvestment Act (ARRA) and expedited approval of this item has been requested.** The Joint Fiscal Committee members will be contacted within two weeks with a request to waive the statutory review period and accept this item.  

[JFO received 11/09/09]

**JFO #2409** — $217,504 grant from the U.S. Department of Justice to the Center for Crime Victim Services. These funds will be distributed to the Vermont Network Against Domestic and Sexual Violence for direct services to victims of sexual assault.  

[JFO received 11/09/09]

**JFO #2410** — $695,147 grant from the U.S. Department of Justice to the Center for Crime Victim Services. These funds will be used to aid adult and child victims of domestic violence and sexual assault, etc., by expanding safety and support services in five of Vermont's rural.  

[JFO received 11/09/09]

**JFO #2411** — $71,216 grant from the U.S. Department of Justice to the Center for Crime Victim Services. These funds will be used for outreach and education about services available to crime victims. The focus of this outreach will be underserved populations from diverse cultural backgrounds who may not speak English.  

[JFO received 11/09/09]
JFO #2412 — $1,000,000 grant from the U.S. Department of Justice to the Department of Public Safety. These funds will be used to support the work of the Vermont Drug Task Force to disrupt the flow of illegal drugs into Vermont. [JFO received 11/09/09]

JFO #2413 — $96,477 grant from the U.S. Department of Labor to the Vermont Department of Labor. These funds will be used to fund necessary IT upgrades and staff training for the transition to the new federal apprenticeship program mandates. [JFO received 11/09/09]

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for Joint Fiscal Committee review. Unless we hear from you to the contrary by November 26 we will assume that you agree to consider as final the Governor’s acceptance of these requests.

cc: James Reardon, Commissioner
    Kevin Dorn, Secretary
    Joan Senecal, Commissioner
    Judy Rex, Executive Director
    Thomas Tremblay, Commissioner
    Patricia Moulton Powden, Commissioner
MEMORANDUM

To: Representative Tony Klein
   Senator Virginia Lyons

From: Nathan Lavery, Fiscal Analyst

Date: November 12, 2009

Subject: JFO #2407

In accordance with Sec. E.129 of Act 1 of the 2009 Special Session, Representative Michael Obuchowski asked that I forward to you a copy of the enclosed American Recovery and Reinvestment Act grant materials and cover memo (JFO #2407). He requests your observations regarding the enclosed item.

cc: Rep. Michael Obuchowski
    Stephen Klein
October 20, 2009

To: Joint Fiscal Office

From: Tom Evslin, Chief Recovery Officer

Subject: Request to Expedite ARRA Competitive Grant

In light of the ARRA goal and expressed intent of the Vermont legislature and the Governor that stimulus money be put to work as quickly as possible to help alleviate unemployment and stimulate the economy, I am requesting expedited consideration by the Joint Fiscal Committee of this competitive grant. Moreover, the sooner this grant is approved, the sooner Vermonters will benefit by the expansion of Agency of Commerce and Community Development Revolving Loan Fund.

Thank you for your consideration.
ARRA ACTIVITY ACCEPTANCE FORM

REQUEST: ☑ ARRA Competitive Grant
☐ Other ARRA Activity

Revision? ☐ Yes ☑ No
Revision Date:

INSTRUCTIONS: This form must be completed in its entirety and is required for: 1) acceptance of all ARRA Discretionary Grants, and 2) PRIOR to receipt of all ARRA Formula/Block Grants, and 3) PRIOR to receipt of all ARRA funding for Individual Entitlement Programs.

NOTE: Incomplete forms will be returned to departments and will result in the delay of spending authority release.

BASIC ARRA INFORMATION

1. Agency (ARRA-F): Agency of Commerce & Community Development
2. Department (ARRA-F): ADMIN
3. DUNS # (ARRA-C): 809800683

4. Office Location: City/town: Montpelier County: Washington

5. ARRA Activity (ARRA 1-01): Creation of an RLF to fund brownfield clean-up projects that will have an economic development benefit
6. ARRA Code (ARRA 2-1): C20

7. Legal Title of Grant: Supplemental Funding for Brownfields Revolving Loan Fund (RLF) Grantees
8. Federal Agency Award # (ARRA-B): EPA
9. CFDA # (ARRA-E): 66-818

10. Federal Funding Agency's US Treasury Account Symbol (TAS): (if provided by the federal funding agency)

11. Federal (or VT) Funding Agency (ARRA-A): 2B-96120201-0
12. Award Date: 9/14/2009
13. Award Amount $612,000
14. Check if this amount is an estimate: ☑
15. Grant Period (ARRA-H) From: 10/1/2009 To: 9/30/2014
16. Date by which ARRA funds must be: ☑ Obligated by Date: and/or ☑ Spent by Date: 09-30-2014

17. Purpose of Grant/ARRA Narrative (ARRA 2-02): The grant funds will allow the Agency of Commerce, in partnership with the Agency of Natural Resources, to make subgrants through a new RLF called the "Vermont E2 Fund" to brownfield projects that are considered shovel-ready and will create jobs during and after the project. The reason for the new name is to avoid confusion with our existing Brownfield RLF.

18. Area that will Benefit: Brownfield Properties throughout Vermont

19. Impact on existing program if grant is not Accepted: Fewer resources that can go toward remediated brownfield properties and ultimate job creation

20. BUDGET INFORMATION (Note the total of columns A+B+C must equal the total of columns D+E+F)

<table>
<thead>
<tr>
<th>Column Reference</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
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<td>Fiscal Year</td>
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<td>SFY 2009</td>
<td>SFY 2010</td>
<td>SFY 2011 &amp; Beyond</td>
<td>FFY 2009</td>
<td>FFY 2010</td>
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<tr>
<td>Expenditures:</td>
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<td>3rd Party Contracts</td>
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<td>Operating Expenses</td>
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<td>$</td>
<td>$462,000</td>
<td>$150,000</td>
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<td>State Funds:</td>
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<td>$500,000</td>
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<td>(Direct Costs)</td>
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<td>(Statewide Indirect)</td>
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<td>(Dept'l Indirect)</td>
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<tr>
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<td>$0</td>
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<td>Other Funds:</td>
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</tbody>
</table>
Comments about expenditures or revenues may be made in the space provided below:

It is our goal to subgrant out the entire $612,000.00 as soon as possible, with the hope that we get the funds obligated within the next 12 months.

21. VISION Tracking Information:

<table>
<thead>
<tr>
<th>Dept/ID/Appropriation</th>
<th>Other VISION Chartfield</th>
<th>Total Amount</th>
<th>Comments</th>
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<td>7100890601</td>
<td>Business Unit #07100</td>
<td>$612,000</td>
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<tr>
<td></td>
<td>Program Code #55190</td>
<td>$</td>
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</table>

This Total MUST agree with the total of Item 10, columns A+B+C above

PERSONAL SERVICE INFORMATION

22. Will monies from this grant be used to fund one or more Personal Service Contracts?  
☐ Yes ☒ No  
If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: • Agreed by: (initial)

23. State Position Information and Title(s):

<table>
<thead>
<tr>
<th># Positions Retained</th>
<th>Est. Annual Regular Hours</th>
<th># Positions Created (New)</th>
<th>Est. Annual Regular Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Total Positions 0

24. Is the appropriate Position Request Form attached for new position(s) listed in Line 12 above?  
☐ YES – Form attached ☒ No new positions created

25. Equipment and space for these positions: ☒ Is presently available. ☒ Can be obtained w/available funds.

26. Does this qualify as "Infrastructure"? ☐ Yes ☒ No  
If Yes complete next line:

27. Infrastructure Rationale (select one) (ARRA 2-06):

1. ☐ To Preserve & create jobs & promote economic recovery.
2. ☐ To assist those most impacted by the recession.
3. ☐ To provide investment needed to increase economic efficiency by spurring technological advances in science & health.
4. ☐ To invest in transportation, environmental protection, & other infrastructure that will provide long-term economic benefits.
5. ☐ To stabilize State & local government budgets, in order to minimize & avoid reductions in essential services & counterproductive state & local tax increases.

28. AUTHORIZATION AGENCY/DEPARTMENT SIGNATURES

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable). I/we further certify that these funds will be used only in

ARRA Activity Acceptance_Form ESR-2.dot_v1.4
accordance with the federal American Recovery & Reinvestment Act and all federal and state rules and regulations pertaining thereto:

Agency Secretary (if required):

Name: Title:

Date:

29. REVIEW BY FINANCE & MANAGEMENT (continue on separate sheet if necessary)

☐ To Release Spending Authority in VISION: FY 2010 $462,000 Citation(s): AA 1 PROCESS (ESR-2) competitive grant

☐ Analyst (Initial): Date: 10/21/09

☐ Commissioner Finance & Management initial): Date: 10/22/09

For ES Use Only: Assigned ESR Director's Signature: Colleen Krauss 10-20-09

* * * Section 30 through 33 are required ONLY when Form ESR-2 is used in lieu of Form AA-1 * * *

30. SECRETARY OF ADMINISTRATION

☐ Check One Box: (Secretary's signature or designee) Date: 10/20/09

☐ Accepted

☐ Rejected

31. ACTION BY GOVERNOR

☐ Check One Box: (Governor's signature or designee) Date: 11/3/09

☐ Request to JFO

☐ Rejected

☐ Sent to JFO

32. SENT TO JFO Date:

* * * Section 33 is a required section * * *

33. ARRA FORM ESR-2 DOCUMENTATION CHECK LIST (check all that apply):

☐ Notice of Award or Proof of Award (REQUIRED)

☐ Dept. project approval (if applicable)

☐ Governor’s Certification (if applicable)

☐ Notice of Donation (if any)

☐ Position Request Form(s)

☐ Grant (Project) Timeline (if applicable)

☐ Request for Extension (if applicable)

☐ Form AA-1PN attached (if applicable)

☐ Notice of Donation (if any)

☐ Dept. project approval (if applicable)

☐ Governor’s Certification (if applicable)

☐ Notice of Donation (if any)

☐ Position Request Form(s)

☐ Grant (Project) Timeline (if applicable)

☐ Request for Extension (if applicable)

☐ Form AA-1PN attached (if applicable)

ARRA Activity Acceptance Form ESR-2.dot_v1.4 Page 3 of 3
U.S. ENVIRONMENTAL PROTECTION AGENCY

Cooperative Agreement

ASSISTANCE ID NO.: 2B - 96120201 - 0

DATE OF AWARD: 09/14/2009

TYPE OF ACTION: New

PAYMENT METHOD: Advance

MAILING DATE: 09/15/2009

ACH#: 10311

RECIPIENT TYPE: State

Send Payment Request to:
Las Vegas Finance Center (LVFC), P.O. Box 98515, Las Vegas, NV 89193-8515; Tel: 802-798-2406 FAX: 702-298-2423

PROJECT TITLE AND DESCRIPTION

STIMULUS - VT ACCD RLF
This award provides stimulus funding to the State of Vermont, Agency of Commerce & Community Development to utilize funding to provide a Revolving Loan Fund for the state to assist funding cleanup planning and remediation activities. The purpose of these activities is to promote redevelopment of the funded sites and future reuse of the property that does not pose a threat to human health and the environment.

BUDGET PERIOD
10/01/2009 - 09/30/2014

PROJECT PERIOD
10/01/2009 - 09/30/2014

TOTAL BUDGET PERIOD COST
$612,000.00

TOTAL PROJECT PERIOD COST
$612,000.00

NOTICE OF AWARD

Based on your application dated 08/26/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $612,000. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $612,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)
ORGANIZATION / ADDRESS
EPA New England
1 Congress Street, Suite 1100
Boston, MA 02114-2023

AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS
U.S. EPA, EPA New England
1 Congress St.
Boston, MA 02114

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL
Digital signature applied by EPA Award Official

TYPED NAME AND TITLE
Linda Murphy, Dir. Office of Admin. & Resource Management

DATE
09/14/2009

AFFIRMATION OF AWARD
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE
Kiersten Bourgeois

TYPED NAME AND TITLE
Kiersten A. Bourgeois, Chair, Vermont Development Cabinet

DATE
21 Sept 09
### EPA Funding Information

<table>
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<tr>
<th>FUNDS</th>
<th>FORMER AWARD</th>
<th>THIS ACTION</th>
<th>AMENDED TOTAL</th>
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<tr>
<td>EPA In-Kind Amount</td>
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<tr>
<td>Unexpended Prior Year Balance</td>
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<td>Other Federal Funds</td>
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<td>Recipient Contribution</td>
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<td>Other Contribution</td>
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<td>Allowable Project Cost</td>
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**Assistance Program (CFDA)**

66.818 - Brownfields Assessment and Cleanup Cooperative Agreements

**Statutory Authority**

American Recovery and Reinvestment Act of 2009

**Regulatory Authority**

40 CFR PART 31

### Fiscal

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Req No</th>
<th>FY</th>
<th>Appropriation Code</th>
<th>Budget Organization</th>
<th>PRC</th>
<th>Object Class</th>
<th>Site/Project Cost</th>
<th>Cost Organization</th>
<th>Obligation / Deobligation</th>
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<td>E4S</td>
<td>016</td>
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<td>9. Total Direct Charges</td>
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<td>11. Total (Share: Recipient 0.00 % Federal 100.00 %)</td>
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<td>12. Total Approved Assistance Amount</td>
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<td>13. Program Income</td>
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<td>14. Total EPA Amount Awarded This Action</td>
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<tr>
<td>15. Total EPA Amount Awarded To Date</td>
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</tbody>
</table>
Dear Ms. Bourgeois:

On behalf of the United States Environmental Protection Agency (EPA), I am pleased to confirm that the Vermont Department of Economic Development has been selected to receive American Recovery and Reinvestment (ARRA) Act of 2009 supplemental funding in the amount of $612,000 in hazardous substances funding for additional capitalization of its Brownfields Revolving Loan Fund grant.

We are pleased to see the progress the Vermont Department of Economic Development has made, and wish you continued success. Diane Kelley, your region's Brownfields Coordinator, will work closely with you to award a new cooperative agreement to reflect this supplemental award. Ms. Kelley can be reached by telephone at (617) 918-1424 should you have questions regarding this award.

We look forward to continuing our cooperative work with the Vermont Department of Economic Development, and applaud your successes in promoting brownfields cleanups and community revitalization.

Sincerely,

David R. Lloyd, Director
Office of Brownfields and Land Revitalization

cc: Diane Kelley, US EPA Region 1 Brownfields Coordinator
II. GENERAL COOPERATIVE AGREEMENT
ADMINISTRATIVE REQUIREMENTS

A. Term of the Agreement

1. The term of an RLF agreement is five years, unless otherwise extended by EPA at the CAR’s request.

2. If after 1 year from date of award, EPA determines that the recipient has not made sufficient progress in implementing its RLF, EPA may terminate the agreement. The CAR should note that in order to ensure adequate review time, the review of sufficient progress could begin as early as June 30, 2010 and the CAR must report on sufficient progress no later than August 30, 2010. Sufficient progress is indicated by the grantee having made loan(s) and/or subgrant(s), but may also be demonstrated by a combination of all the following: hiring of all key personnel, the establishment and advertisement of the RLF, and the development of one or more potential loans/subgrants.

B. Substantial Involvement

1. The U.S. EPA may be substantially involved in overseeing and monitoring this cooperative agreement.

   a. Substantial involvement by the U.S. EPA generally includes administrative activities such as: monitoring; review and approval of procedures for loan and subgrant recipient selection; review of project phases; and approval of substantive terms included in professional services contracts.

   b. Substantial EPA involvement also includes brownfields property-specific funding determinations described in I. B.1 under EPA and/or State Approvals of Brownfields Sites above. The CAR may also request technical assistance from EPA on which sites qualify as a brownfields site and when determining whether the statutory prohibition found in section 104(k)(4)(B)(i)(IV) of CERCLA applies. Generally, this prohibition prohibits a grant or loan recipient from using grant funds to cleanup a site if the recipient is potentially liable under §107 of CERCLA for that site.

   c. Substantial EPA involvement may include reviewing financial and environmental status reports; and monitoring all reporting, record-keeping, and other program requirements.

   d. Substantial EPA involvement may include the review of the substantive terms of RLF loans and cleanup subgrants.

   e. EPA may waive any of the provisions in term and condition II. B.1, with the exception of property-specific funding determinations. EPA will provide waivers in writing.

2. Effect of EPA’s substantial involvement includes:
a. EPA's view of any project phase, document, cost incurred under this cooperative agreement will not have any effect upon CERCLA §128 Eligible Response Site determinations or for rights, authorities, and actions under CERCLA or any Federal statute.

b. The CAR remains responsible for ensuring that all cleanups are protective of human health and the environment and comply with all applicable Federal and State laws.

c. The CAR remains responsible for ensuring costs are allowable under applicable OMB Circulars.

C. Cooperative Agreement Recipient Roles and Responsibilities

1. The CAR must acquire the services of a qualified environmental professional(s) to coordinate, direct, and oversee the brownfields cleanup activities at a particular site, if they do not have such a professional on staff.

   a. The CAR shall act as or appoint a qualified “fund manager” to carry out responsibilities that relate to financial management of the loan and/or subgrant program. However, the CAR remains accountable to EPA for the proper expenditure of cooperative agreement funds. Any funding arrangements between the CAR and the fund manager for services performed must be consistent with 40 CFR Part 31.

   b. The CAR is responsible for ensuring that borrowers and subgrant recipients comply with the terms of their agreements with the CAR, and that agreements between the CAR and borrowers and subgrant recipients are consistent with the terms and conditions of this agreement.

D. Recovery Act Quarterly Progress Reports

1. The CAR must report in three different areas on Recovery Act funds.

   a. First, the CAR (and any sub-recipients) must report in www.FederalReporting.Gov within ten calendar days after the end of each calendar quarter (Recovery Act Section 1512 reporting requirements). The first report is due on October 10, 2009. FederalReporting.Gov is a Government-wide system, managed by OMB, which will collect information on the use of Recovery Act funds from all Recovery Act fund recipients and their sub-recipients. For more information on the requirements for FederalReporting.gov please see Brownfields Administrative Term & Condition #25.

   b. Second, the CAR must report on interim progress and any final accomplishments by completing and submitting relevant portions of the Property Profile Form (e.g., reporting the signing of a loan or subgrant, the initiation of cleanup activities, the completion of cleanup activities, institutional controls, contaminants, and reuse). The CAR must submit the updated Property Profile Form reflecting such events as soon as the accomplishment has occurred, or within 30 days after the end of the Federal fiscal quarter in which the event occurred. The CAR will be provided access to an on line reporting system, the Assessment, Cleanup and Redevelopment Exchange System, by the EPA Project Officer to perform their
reporting requirements. Alternately, the CAR may complete a hard copy version of the Property Profile Form available from their EPA Project Officer or online at: http://www.epa.gov/brownfields/pubs/rptforms.htm.

c. Third, the CAR must submit progress reports on a quarterly basis to the EPA Project Officer. Quarterly progress reports must include:
   i. Documentation of progress at meeting performance outcomes/outputs, project narrative, project timeline, and an explanation for any slippage in meeting established output/outcomes (see D.1.d. below for specifics).
   ii. An update on project milestones.
   iii. A budget recap summary page with the following headings: (A) Current Approved Recovery Act Budget; (B) Recovery Act Costs Incurred this Quarter; (C) Recovery Act Costs Incurred to Date; and (D) Total Remaining Recovery Act Funds.
   iv. If applicable, quarterly reports must specify costs incurred at petroleum contaminated brownfields sites.

d. Quarterly reports must clearly identify which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the workplan including a list of sites where cleanup (either through loans or subgrants) activities were completed. Refer to the model quarterly report on the regional website. To the extent consistent with the workplan for this agreement, activities undertaken with EPA funds to be included in quarterly performance and financial reporting include:
   1. Date of loan or subgrant (interim measure to show grant progress before actual cleanup work begins)
   2. Acres per property(ies)
   3. Cleanup completed
   4. Types of contaminants cleaned up
   5. Acres of greenspace created
   6. Engineering/institutional controls required, type, and whether they are in place
   7. Redevelopment underway
   8. Number/value of loans made
   9. Number/value of subgrants made
   10. Funds leveraged
   11. Jobs leveraged *
   12. Health monitoring studies, insurance, and/or institutional controls funded
   13. Program Income

* Reporting requirements for “jobs leveraged” differs from reporting on jobs created and retained under Term and Condition D.1.a. Please see EPA’s Frequently Asked Questions on Brownfields Recovery Act grants at (web site) or contact your project officer for additional guidance.

2. The CAR must maintain records that will enable it to report to EPA on the amount of Recovery Act funds expended by the CAR, borrowers or subgrant recipients at petroleum sites.

3. In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as
problems, delays adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan.

III. FINANCIAL ADMINISTRATION REQUIREMENTS

A. Eligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. To the extent allowable under the EPA approved workplan, cooperative agreement funds may be used for eligible programmatic expenses to capitalize the RLF and conduct cleanups.

   a. The CAR must maintain records that will enable it to report to EPA on the amount of costs incurred by the CAR, borrowers or subgrant recipients at petroleum-only brownfields sites.

   b. The funds must be used by the CAR to provide loans or subgrants for the cleanup of eligible brownfields sites and for eligible programmatic costs for managing the RLF. Note: Cleanup subgrants are limited to $200,000 per site. The CAR may petition EPA to waive the $200,000 per site subgrant limitation, if such a waiver would promote the goals of the Recovery Act through increased job creation, retention, and economic development.

   c. The CAR may discount loans, also referred to as the practice of forgiving a portion of loan principle. For an individual loan, the amount of principal discounted may be any percentage of the total loan amount up to 30 percent, provided that the total amount of the principal forgiven for that loan shall not exceed $200,000. The entities eligible for discounted loans are provided below.

   d. To determine whether a cleanup subgrant is appropriate, the CAR must consider:

      i. The extent the subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;

      ii. The extent the subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;

      iii. The extent the subgrant will facilitate the use or reuse of existing infrastructure; and

      iv. The benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation.
The CAR must maintain sufficient records to support and document these determinations.

2. The CAR may use cooperative agreement funds to capitalize a revolving loan fund to be used for loans or subgrants for cleanup and for eligible programmatic expenses. Eligible programmatic expenses may include direct costs for:

   a. Determining whether RLF cleanup activities at a particular site are authorized by CERCLA 104(k);

   b. Ensuring that a RLF cleanup complies with applicable requirements under Federal and State laws, as required by CERCLA 104(k);

   c. Ensuring that public participation requirements are met. This includes developing or funding a community relations plan which will include reasonable notice, opportunity for involvement, and response to comments;

   d. Establishing an administrative record for each site;

   e. Ensuring the adequacy of each RLF cleanup as it is implemented, including overseeing the borrowers and/or subgrantees activities to ensure compliance with applicable Federal and State environmental requirements;

   f. The development of Quality Assurance Project Plans (QAPPs) as required by Part 31 and Part 30 regulations;

   g. Ensuring that the site is secure if a borrower or subgrant recipient is unable or unwilling to complete a brownfields cleanup;

   h. Preparing an analysis of brownfields cleanup alternatives which will include information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the response proposed. The evaluation will include an analysis of reasonable alternatives including no action;

   i. For petroleum sites, an analysis of cleanup alternatives would include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures;

   j. Using a portion of a loan or subgrant to purchase environmental insurance for the site. The loan or subgrant may not be used to purchase insurance intended to provide coverage for any of the Ineligible Uses under Section D.

   k. Any other eligible programmatic costs including costs incurred by the recipient in making and managing a loan; obtaining financial management services; quarterly reporting to EPA; awarding and managing subgrants to the extent allowable in III. D. 2.; and carrying out outreach pertaining to the loan and subgrant program to potential borrowers and subgrant recipients; and
I. Subgrant progress reporting to the CAR is an eligible programmatic cost.

3. No more than 10% of the funds awarded by this agreement may be used by the CAR itself as a programmatic cost for brownfield program development and implementation (including monitoring of health and institutional controls) as described in Task 1 (or other task labeled Cooperative Agreement Oversight) of the EPA approved workplan. The CAR must maintain records on funds that will be used to carry out Task 1 of its EPA approved workplan to ensure that no more than 10% of its funds are used for brownfield program development and implementation (including monitoring of health and institutional controls).

4. If the CAR makes a subgrant to a local government that includes an amount (not to exceed 10% of the subgrant) for brownfields program development and implementation, the terms and conditions of that agreement must include a provision that ensures that the local government subgrantee maintains records adequate to ensure compliance with the limits on the amount of subgrant funds that may be expended for this purpose.

C. Ineligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. Cooperative agreement funds shall not be used by the CAR, borrower and/or subgrant recipient for any of the following activities:

a. To fund particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

b. Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup.

c. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action.

d. Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility), and addressing public or private drinking water supplies that have deteriorated through ordinary use;

e. Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant.

f. To pay for a penalty or fine.

g. To pay a federal cost share requirement (for example, a cost-share required by another Federal grant) unless there is specific statutory authority.

h. To pay for a response cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107.
i. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup.

j. Unallowable costs (e.g., lobbying and fund raising) under applicable OMB Circulars.

2. Under CERCLA 104(k)(4)(B), administrative costs are prohibited costs under this agreement. Prohibited administrative costs include all indirect costs under applicable OMB Circulars incurred by the CAR and subgrantees.

   a. Ineligible administrative costs include costs incurred in the form of salaries, benefits, contractual costs, supplies, and data processing charges, incurred to comply with most provisions of the Uniform Administrative Requirements for Grants contained in 40 CFR Part 30 or 40 CFR part 31. Direct costs for grant and subgrant administration, with the exception of costs specifically identified as eligible programmatic costs, are ineligible even if the grantee or subgrant recipient is required to carry out the activity under the grant agreement. Costs incurred to report quarterly performance to EPA under the grant are eligible.

   b. Ineligible grant or subgrant administration costs include direct costs for:

      i. Preparation of applications for Brownfields grants and subgrants;
      ii. Record retention required under 40 CFR 30.53 and 40 CFR 31.42;
      iii. Record-keeping associated with supplies and equipment purchases required under 40 CFR 30.33, 30.34, and 30.35 and 40 CFR 31.32 and 31.33;
      iv. Preparing revisions and changes in the budgets, scopes of work, program plans and other activities required under 40 CFR 30.25 and 40 CFR 31.30;
      v. Maintaining and operating financial management systems required under 40 CFR 30 and 40 CFR 31;
      vi. Preparing payment requests and handling payments under 40 CFR 30.22 and 40 CFR 31.21;
      vii. Non-federal audits required under 40 CFR 30.26, 40 CFR 31.26, and OMB Circular A-133; and

x. Borrowers are subject to the CERCLA 104(k)(4)(B) administrative cost prohibition requirements. The CAR must ensure that loan agreements prohibit borrowers and subgrantees from using loans financed with cooperative agreement funds for administrative costs.

c. Prohibited administrative costs for the borrower (including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges) are those incurred for loan administration and overhead costs.
d. Direct costs for loan administration are ineligible even if the borrower is required to carry out the activity under the loan agreement. Ineligible loan administration costs include expenses for:

i. Preparation of applications for loans and loan agreements;

ii. Preparing revisions and changes in the budget, workplans, and other documents required under the loan agreement;

iii. Maintaining and operating financial management and personnel systems;

iv. Preparing payment requests and handling payments; and

v. Audits.

vi. Overhead costs by the borrower that do not directly clean up brownfields site contamination or comply with laws applicable to the cleanup are ineligible administrative costs. Examples of overhead costs that would be ineligible in loans include expenses for:

vii. Salaries, benefits and other compensation for persons who are not directly engaged in the cleanup of the site (e.g., marketing and human resource personnel);

viii. Facility costs such as depreciation, utilities, and rent on the borrower’s administrative offices; and

ix. Supplies and equipment not used directly for cleanup at the site.

x. Costs incurred by the borrower for procurement are eligible only if the procurement contract is for services or products that are direct costs for performing the cleanup, for insurance costs, or for maintenance of institutional controls.

xi. Direct costs by the borrower for progress reporting to the lender are eligible programmatic costs.

3. Cooperative agreement funds may not be used for any of the following properties:

a. Facilities listed, or proposed for listing, on the National Priorities List (NPL);

b. Facilities subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;

c. Facilities that are subject to the jurisdiction, custody or control of the United States government except land held in trust by the United States government for an Indian tribe; or
d. A site excluded from the definition of a brownfields site for which EPA has not made a property-specific funding determination.

4. The CAR must not include management fees or similar charges in excess of the direct costs or at the rate provided for by the terms of the agreement negotiated with EPA. The term “management fees or similar charges” refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

D. Subgrant Recipient and Borrower Eligibility

1. The CAR may only provide cleanup subgrants to an eligible entity or nonprofit organization to clean up sites owned by the eligible entity or nonprofit organization at the time the subgrant is awarded. Eligible subgrant recipients include eligible entities as defined under CERCLA 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible for subgrants.

   a. The subgrant recipient must retain ownership of the site throughout the period of performance of the subgrant. For the purposes of this agreement, the term “owns” means fee simple title unless EPA approves a different arrangement. However, the CAR may not provide a subgrant to itself or another component of its own unit of government or organization.

   b. The CAR may discount loans for those eligible entities identified in CERCLA section 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. This definition includes non profit universities and other non profit educational institutions. Private, for-profit entities are not eligible for discounted loans.

   c. The CAR shall not loan or subgrant funds that will be used to pay for cleanup activities at a site for which a loan or grant recipient is potentially liable under CERCLA §107. The CAR may rely on its own investigation which can include an opinion from the subgrant recipient’s or borrower’s counsel. However, the CAR must advise the borrower or subgrant recipient that the investigation and/or opinion of the subgrant recipient’s or borrower’s counsel is not binding on the Federal Government.

   d. For approved eligible petroleum-contaminated brownfields sites, the person cleaning up the site must be a person who is not potentially liable for cleaning up the site. For brownfields grant purposes, an entity generally will not be considered potentially liable for petroleum contamination if it has not dispensed or disposed of petroleum or petroleum-product at the site, has not exacerbated the contamination at the site, and took reasonable steps with regard to the contamination at the site.
e. The CAR shall maintain sufficient documentation supporting and demonstrating the eligibility of the sites, borrowers, and subgrant recipients.

f. A borrower or subgrant recipient must submit information regarding its overall environmental compliance history including any penalties resulting from environmental non-compliance at the site subject to the loan or subgrant. The CAR, in consultation with the EPA, must consider this history in its analysis of the borrower or subgrant recipient as a cleanup and business risk.

g. An entity that is currently suspended, debarred, or otherwise declared ineligible cannot be a borrower or subgrant recipient.

E. Obligations for Grant Recipients, Borrowers, or Subgrantees Asserting a Limitation on Liability from CERCLA §107

1. Grant recipients, borrowers, or subgrantees who are eligible, or seek to become eligible, to receive a grant, loan, or subgrant based on a liability protection from CERCLA as a: (1) bona fide prospective purchaser (BFPP), (2) contiguous property owner (CPO), or (3) innocent landowner (ILO) (known as the "landowner liability protections"), must meet certain threshold criteria and satisfy certain continuing obligations to maintain their status as an eligible grant recipient, borrower, or subgrantee. These include, but are not limited to the following:

   a. All grant recipients, borrowers, or subgrantees asserting a BFPP, CPO or ILO limitation on liability must perform (or have already performed) "all appropriate inquiry," as found in section 101(35)(B) of CERCLA, on or before the date of acquisition of the property.

   b. Grant recipients, borrowers, or subgrantees seeking to qualify as bona fide prospective purchasers or contiguous property owners must not be:

      i. potentially liable, or affiliated with any other person that is potentially liable,

      ii. for response costs at the facility through (a) any direct or indirect familial relationship; or (b) any contractual, corporate, or financial relationships; or

      iv. a reorganized business entity that was potentially liable or

      v. otherwise liable under CERCLA §107(a) as a prior owner or operator, or generator or transporter of hazardous substances to the facility.

   c. Landowners must meet certain continuing obligations in order to achieve and maintain status as a landowner protected from CERCLA liability. These continuing obligations include:
i. complying with any land use restrictions established or relied on in connection with the response action at the vessel or facility and not impeding the effectiveness or integrity of institutional controls;

ii. taking reasonable steps with respect to hazardous substance releases;

iii. providing full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration;

iv. complying with information requests and administrative subpoenas (applies to bona fide prospective purchasers and contiguous property owners); and

v. complying with legally required notices (again, applies to bona fide prospective purchasers and contiguous property owners) [see CERCLA § 101(40)(B)-(H), 107(q)(1)(A), 101(35)(A)-(B)].

d. CERCLA requires additional obligations to maintain liability protection. These obligations are found at §§ 101(35), 101(40), 107(b), 107(q) and 107(r).

2. Use of Program Income

a. In accordance with 40 CFR 31.25(g)(2), the CAR is authorized to add program income to the funds awarded by the EPA and use the program income under the same terms and conditions of this agreement. Program income for the RLF shall be defined as the gross income received by the recipient, directly generated by the cooperative agreement award or earned during the period of the award. Program income shall include principal repayments, interest earned on outstanding loan principal, interest earned on accounts holding RLF program income not needed for immediate lending, all loan fees and loan-related charges received from borrowers and other income generated from RLF operations including proceeds from the sale, collection, or liquidations of assets acquired through defaults of loans.

b. The CAR may use program income from fees, interest payments from loans, and other forms of eligible program income to meet its cost-share. The CAR shall not use repayments of principal of loans to meet the CAR’s cost-share requirement. Repayments of principal must be returned to the CAR’s Brownfields cleanup revolving fund.

c. The CAR that elects to use program income to cover all or part of a RLF’s programmatic costs shall maintain adequate accounting records and source documentation to substantiate the amount and percent of program income expended for eligible RLF programmatic costs, and comply with applicable OMB cost principles when charging costs against program income. For any cost determined by the EPA to have been an ineligible use of program income, the recipient shall reimburse the RLF or the EPA. EPA will notify the recipient of the time period allowed for reimbursement.
d. Loans or subgrants made with a combination of program income and direct
funding from EPA are subject to the same terms and conditions as those
applicable to this agreement. Loans and subgrants made with direct funding from
EPA in combination with non-Federal sources of funds are also subject to the
same terms and conditions of this agreement.

e. CAR must obtain EPA approval of the substantive terms of loans and subgrants
made entirely with program income.

H. Post Cooperative Agreement Program Income

1. After the end of the award period, the CAR shall use program income in a manner consistent
with the terms and conditions of a "close out" agreement negotiated with EPA. In
accordance with 40 CFR 31.42(c)(3), the CAR shall maintain appropriate records to
document compliance with the requirements of the close out agreement (i.e., records relating
to the use of post-award program income). EPA may request access to these records or may
negotiate post-close-out reporting requirements to verify that post-award program income
has been used in accordance with the terms and conditions of the close out agreement.

2. Interest-Bearing Accounts

   a. The CAR must deposit advances of grant funds and program income (e.g., fees,
      interest payments, repayment of principal) in an interest-bearing account.

   b. Interest earned on advances, CARs and subgrant recipients are subject to the
      provisions of 40 CFR §31.21(i) and §30.22(1) relating to remitting interest on
      advances to EPA on a quarterly basis.

   c. Interest earned on program income is considered additional program income.

IV. RLF ENVIRONMENTAL REQUIREMENTS

A. Authorized RLF Cleanup Activities

1. The CAR shall prepare an analysis of brownfields cleanup alternatives which will include
information about the site and contamination issues (i.e., exposure pathways,
identification of contaminant sources, etc.); cleanup standards; applicable laws;
alternatives considered; and the proposed cleanup. The evaluation of alternatives must
include effectiveness, implementability, and the cost of the response proposed. The
cleanup method chosen must be based on this analysis.

2. Prior to conducting or engaging in any on-site activity with the potential to impact
historic properties (such as invasive sampling or cleanup), the grantee shall consult with
EPA regarding potential applicability of the National Historic Preservation Act and, if
applicable, shall assist EPA in complying with any requirements of the Act and implementing regulations.

B. Quality Assurance (QA) Requirements

1. If environmental samples are to be collected as part of the brownfields cleanup (e.g., cleanup verification sampling, post-cleanup confirmation sampling), the CAR shall comply with 40 CFR Part 31.45 (or 40 CFR Part 30.54 requirements for nonprofit organizations) requirements to develop and implement quality assurance practices sufficient to produce data adequate to meet project objectives and to minimize data loss. State law may impose additional QA requirements.

The recipient will develop Quality Assurance Project Plans [QAPP] to support all environmental data operations in accordance with “The EPA New England Quality Assurance Project Plan Program Guidance,” 2008. The term “environmental data operations” refers to any measurement or information that describe environmental processes, conditions, or location; ecological or health effects; produced from models or surveys; compiled from other sources such as data bases and literature; or the performance of environmental technology. The Quality Assurance Project Plan must be approved by EPA before any data collection and/or generation activities begin. Unless an alternate schedule was previously agreed upon, no later than 30 days prior to the scheduled commencement of data collection and/or data generation activities, the recipient will submit a Quality Assurance Project Plan to the following:

- EPA Project Officer (see page 1 of assistance agreement for name and address) and
- Regional Quality Assurance Manager (EQA)
U.S. Environmental Protection Agency
11 Technology Drive
North Chelmsford, MA 01863

C. Community Relations and Public Involvement in RLF Cleanup Activities

1. All RLF loan and subgrant cleanup activities require a site-specific community relations plan that includes providing reasonable notice, opportunity for involvement, response to comments, and administrative records that are available to the public.

D. Administrative Record

1. The CAR shall establish an administrative record that contains the documents that form the basis for the selection of a cleanup plan. Documents in the administrative record shall include an analysis of reasonable alternatives including no action; site investigation reports; the cleanup plan; cleanup standards used; responses to public comments; and verification that shows that cleanups are complete. The CAR shall keep the administrative record available at a location convenient to the public and make it available for inspection.

E. Implementation of RLF Cleanup Activities

1. The CAR shall ensure the adequacy of each RLF cleanup in protecting human health and the environment as it is implemented. Each loan and subgrant agreement shall contain
terms and conditions, subject to any required approval, the regulatory oversight authority, that allow the CAR to change cleanup activities as necessary based on comments from the public or any new information acquired.

2. If the borrower or subgrant recipient is unable or unwilling to complete the RLF cleanup, the CAR shall ensure that the site is secure. The CAR shall notify the appropriate state agency and the U.S. EPA to ensure an orderly transition should additional activities become necessary.

F. Completion of RLF Cleanup Activities

1. The CAR shall ensure that the successful completion of a RLF cleanup is properly documented. This must be done through a final report or letter from a qualified environmental professional, or other documentation provided by a State or Tribe that shows cleanups are complete. This documentation needs to be included as part of the administrative record.

V. REVOLVING LOAN FUND REQUIREMENTS

A. Prudent Lending and Subgranting Practices

1. The CAR is expected to establish economically sound structures and day-to-day management and processing procedures to maintain the RLF and meet long-term brownfield cleanup lending/subgranting objectives. These include establishing: underwriting principles that can include the establishment of interest rates, repayment terms, fee structure, and collateral requirements; and, lending/subgranting practices that can include loan/subgrant processing, documentation, approval, servicing, administrative procedures, collection, and recovery actions.

2. The CAR shall not incur costs under this cooperative agreement for loans, subgrants or other eligible costs until an RLF grant workplan has been submitted to and approved by U.S. EPA. The workplan must identify tasks and milestones for establishing and operating the RLF. The CAR shall ensure that the objectives of the workplan are met through its or the fund manager’s selection and structuring of individual loans/subgrants and lending/subgranting practices. These activities shall include, but not be limited to the following:

   a. Considering awarding subgrants on a competitive basis. If the CAR decides not to award any subgrants competitively, it must document the basis for that decision and inform EPA.

   b. Establishing appropriate project selection criteria consistent with Federal and state requirements, the intent of the RLF program, and the cooperative agreement entered into with EPA.

   c. Establishing threshold eligibility requirements whereby only eligible borrowers or subgrant recipients receive RLF financing.

   d. Developing a formal protocol for potential borrowers or subgrant recipients to
demonstrate eligibility, based on the procedures described in the initial RLF application proposal and cooperative agreement application. Such a protocol shall include descriptions of projects that will be funded, how loan monies will be used, and qualifications of the borrower or subgrant recipient to make legitimate use of the funds. Additionally, CARs shall ask borrowers or subgrant recipients for an explanation of how a project, if selected, would be consistent with RLF program objectives, statutory requirements and limitations, and protect human health and the environment.

e. Requiring that borrowers or subgrant recipients submit information describing the borrower's or subgrant recipient's environmental compliance history. The CAR shall consider this history in an analysis of the borrower or subgrant recipient as a cleanup and business risk.

f. Establishing procedures for handling the day-to-day management and processing of loans and repayments.

g. Establishing standardized procedures for the disbursement of funds to the borrower or subgrant recipient.

B. Inclusion of Special Terms and Conditions in RLF Loan and Subgrant Documents

1. The CAR shall ensure that the borrower or subgrant recipient meets the cleanup and other program requirements of the RLF grants by including the following special terms and conditions in RLF loan agreements and subgrant awards:

a. Borrowers or subgrant recipients shall use funds only for eligible activities and in compliance with the requirements of CERCLA 104(k) and applicable Federal and State laws and regulations. See Section I.A.2.

b. Borrowers or subgrant recipients shall ensure that the cleanup protects human health and the environment.

c. Borrowers or subgrant recipients shall document how funds are used. If a loan or subgrant includes cleanup of a petroleum-contaminated brownfields site(s), the CAR shall include a term and condition requiring that the borrower or subgrant recipient maintain separate records for costs incurred at that site(s).

d. Borrowers or subgrant recipients shall maintain records for a minimum of three years following completion of the cleanup financed all or in part with RLF funds. Borrowers or subgrant recipients shall obtain written approval from the CAR prior to disposing of records. Cooperative agreement recipients shall also require that the borrower or subgrant recipient provide access to records relating to loans and subgrants supported with RLF funds to authorized representatives of the Federal government.

e. Borrowers or subgrant recipients shall certify that they are not currently, nor have they been, subject to any penalties resulting from environmental non-compliance at the site subject to the loan.
October 20, 2009

To: Joint Fiscal Office

From: Tom Evslin, Chief Recovery Officer

Subject: Request to Expedite AR

In light of the ARRA goal and according to the Vermont legislature and the Governor that stimulus money be put to work as quickly as possible to help alleviate unemployment and stimulate the economy, I am requesting expedited consideration by the Joint Fiscal Committee of this competitive grant. Moreover, the sooner this grant is approved, the sooner Vermonters will benefit by the expansion of Agency of Commerce and Community Development Revolving Loan Fund.

Thank you for your consideration.
ARRA ACTIVITY ACCEPTANCE REQUEST:

☐ ARRA Competitive Grant

☐ Other ARRA Activity

(Alternate Form AA-1)

(Not subject to AA-1 Process)

Revision? ☐ Yes ☑ No

Revision Date:

INSTRUCTIONS: This form must be completed in its entirety and is required for:

1) acceptance of all ARRA Discretionary Grants, and
2) PRIOR to receipt of all ARRA Formula/Block Grants, and
3) PRIOR to receipt of all ARRA funding for Individual Entitlement Programs.

NOTE: Incomplete forms will be returned to departments and will result in the delay of spending authority release.

BASIC ARRA INFORMATION

1. Agency (ARRA-F): Agency of Commerce & Community Development
2. Department (ARRA-F): ADMIN
3. DUNS # (ARRA-C): 809800683

4. Office Location:
   City/town: Montpelier
   County: Washington

5. ARRA Activity (ARRA 1-01): Creation of an RLF to fund brownfield clean-up projects that will have an economic development benefit
6. ARRA Code (ARRA 2-1): C20

7. Legal Title of Grant: Supplemental Funding for Brownfields Revolving Loan Fund (RLF) Grantees

8. Federal Agency Award # (ARRA-B): EPA
9. CFDA # (ARRA-E): 66-818

    (if provided by the federal funding agency)

11. Federal (or VT) Funding Agency (ARRA-A): 2B-96120201-0
12. Award Date: 9/14/2009

13. Award Amount $612,000
14. Check if this amount is an estimate: ☑

15. Grant Period (ARRA-H)
    From: 10/1/2009
    To: 9/30/2014
16. Date by which ARRA funds must be:
    ☑ Obligated by Date: 09-30-2014
    ☑ Spent by Date: 09-30-2014

17. Purpose of Grant/ARRA Narrative (ARRA 2-02):
The grant funds will allow the Agency of Commerce, in partnership with the Agency of Natural Resources, to make subgrants through a new RLF called the "Vermont E2 Fund" to brownfield projects that are considered shovel-ready and will create jobs during and after the project. The reason for the new name is to avoid confusion with our existing Brownfield RLF.

18. Area that will Benefit (name the state, county, city or school district):
    Brownfield Properties throughout Vermont

19. Impact on existing program if grant is not Accepted:
    Fewer resources that can go toward remediated brownfield properties and ultimate job creation

20. BUDGET INFORMATION (Note the total of columns A+B+C must equal the total of columns D+E+F)

<table>
<thead>
<tr>
<th>Column Reference</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
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<tbody>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Personnel Costs</td>
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<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
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<tr>
<td>3rd Party Contracts</td>
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<td>$</td>
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<td>$</td>
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<tr>
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<td>$2,000</td>
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<td>$138,000</td>
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<td>$450,000</td>
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<td>$150,000</td>
<td>$0</td>
<td>$462,000</td>
<td>$150,000</td>
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<tr>
<td>Revenues:</td>
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<td></td>
<td></td>
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<tr>
<td>State Funds:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Cash</td>
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<tr>
<td>In-Kind</td>
<td>$</td>
<td>$</td>
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<tr>
<td>ARRA Federal Funds:</td>
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<tr>
<td>(Direct Costs)</td>
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<tr>
<td>(Statewide Indirect)</td>
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<td>(Dept'l Indirect)</td>
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<td>Other Funds:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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</table>
Comments about expenditures or revenues may be made in the space provided below:

It is our goal to subgrant out the entire $612,000.00 as soon as possible, with the hope that we get the funds obligated within the next 12 months.

21. VISION Tracking Information:

<table>
<thead>
<tr>
<th>DeptID/Appropriation:</th>
<th>Other VISION Chartfield (funds, programs or projects)</th>
<th>Total Amount (all FYs)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7100890601</td>
<td>Business Unit #07100 Program Code #55190</td>
<td>$612,000</td>
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</tr>
</tbody>
</table>

This Total MUST agree with the total of Item 10, columns A+B+C above

PERSONAL SERVICE INFORMATION

22. Will monies from this grant be used to fund one or more Personal Service Contracts? ☐ Yes ☒ No

If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: ____________________________ Agreed by: __________________ Initial

23. State Position Information and Title(s):

<table>
<thead>
<tr>
<th># Existing Positions Retained</th>
<th>Est. Annual Regular Hours</th>
<th># Positions Created (New)</th>
<th>Est. Annual Regular Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Total Positions: 0

24. Is the appropriate Position Request Form attached for new position(s) listed in Line 12 above?

☐ YES - Form attached ☒ No new positions created

25. Equipment and space for these positions: ☐ Is presently available. ☒ Can be obtained w/available funds.

26. Does this qualify as "Infrastructure"? ☐ Yes ☒ No

If Yes complete next line:

27. Infrastructure Rationale (select one) (ARRA 2-06):

1. ☐ To Preserve & create jobs & promote economic recovery.
2. ☐ To assist those most impacted by the recession.
3. ☐ To provide investment needed to increase economic efficiency by spurring technological advances in science & health.
4. ☐ To invest in transportation, environmental protection, & other infrastructure that will provide long-term economic benefits.
5. ☐ To stabilize State & local government budgets, in order to minimize & avoid reductions in essential services & counterproductive state & local tax increases.

28. AUTHORIZATION AGENCY/DEPARTMENT SIGNATURES

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable). I/we further certify that these funds will be used only in

ARRA Activity Manager: ____________________________ Date: 10/2/2009

Title: Chair and Chief Executive Officer

Department Head: ____________________________ Date: 10-9-09

Title: Deputy Secretary
accordance with the federal American Recovery & Reinvestment Act and all federal and state rules and regulations pertaining thereto:

Name: 

Title: 

29. REVIEW BY FINANCE & MANAGEMENT (continue on separate sheet if necessary)

☐ To Release Spending Authority in VISION: 

FY 20: $462,000

Citation(s): 

Author in VISION: 

To Release Spending Citation(s):

FY 20: 462,000

Authority in VISION: 

AI

For ESR Use Only: 

Director's Signature: 

Cathleen Krauss

Date: 10-20-09

* * * Section 30 through 33 are required ONLY when Form ESR-2 is used in lieu of Form AA-1 * * *

30. SECRETARY OF ADMINISTRATION

☐ Check One Box: (Secretary's signature or designee) 

Accepted: 

Tom Redden 

Date: 10/21/09

☐ Rejected 

Date:

31. ACTION BY GOVERNOR

☐ Check One Box: (Governor's signature or designee) 

Request to JFO

Date: 11/3/09

☑ Rejected

Date:

32. SENT TO JFO

☐ Sent to JFO

Date:

* * * Section 33 is a required section * * *

33. ARRA FORM ESR-2 DOCUMENTATION CHECK LIST (check all that apply):

☐ Notice of Award or Proof of Award (REQUIRED) 

☐ Request Memo

☐ Grant Agreement

☐ Dept. project approval (if applicable)

☐ Governor’s Certification (if applicable)

☐ Notice of Donation (if any)

☐ Grant (Project) Timeline (if applicable)

☐ Request for Extension (if applicable)

☐ Form AA-IPN attached (if applicable)
Cooperative Agreement

**U.S. ENVIRONMENTAL PROTECTION AGENCY**

**ASSISTANCE ID NO.:**

<table>
<thead>
<tr>
<th>PRG</th>
<th>DOC ID</th>
<th>AMEND#</th>
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<tbody>
<tr>
<td>2B</td>
<td>96120201</td>
<td>0</td>
<td>09/14/2009</td>
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</tbody>
</table>

**TYPE OF ACTION**

| New |

**PAYMENT METHOD:***

| ACH# |

| 10311 |

**RECIPIENT TYPE:**

| State |

**RECIPIENT:**

VT Agency of Commerce and Community Development
National Life Building, Drawer 20
Montpelier, VT 05620-0501
EIN: 03-6000264

**PAYEE:**

VT Agency of Commerce and Community Development
National Life Building, Drawer 20
Montpelier, VT 05620-0501

**PROJECT TITLE AND DESCRIPTION**

**STIMULUS - VT ACCD RLF**

This award provides stimulus funding to the State of Vermont, Agency of Commerce & Community Development to utilize funding to provide a Revolving Loan Fund for the state to assist funding cleanup planning and remediation activities. The purpose of these activities is to promote redevelopment of the funded sites and future reuse of the property that does not pose a threat to human health and the environment.

**BUDGET PERIOD**

| 10/01/2009 - 09/30/2014 |

**PROJECT PERIOD**

| 10/01/2009 - 09/30/2014 |

**TOTAL BUDGET PERIOD COST**

| $612,000.00 |

**TOTAL PROJECT PERIOD COST**

| $612,000.00 |

**NOTICE OF AWARD**

Based on your application dated 08/26/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $612,000. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceedin total federal funding of $612,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

**ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)**

**AWARD APPROVAL OFFICE**

<table>
<thead>
<tr>
<th>ORGANIZATION / ADDRESS</th>
<th>ORGANIZATION / ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Congress Street, Suite 1100</td>
<td>1 Congress St., Boston, MA 02114</td>
</tr>
<tr>
<td>Boston, MA 02114-2023</td>
<td>02114</td>
</tr>
</tbody>
</table>

**THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY**

**SIGNATURE OF AWARD OFFICIAL**

Digital signature applied by EPA Award Official

**TYPOGRAPHICAL NAME AND TITLE**

| Linda Murphy, Dir. Office of Admin. & Resource Management |

**DATE**

| 09/14/2009 |

**AFFIRMATION OF AWARD**

**SIGNATURE**

Kiersten A. Bourgeois, Chair, Vermont Development Cabinet

**TYPOGRAPHICAL NAME AND TITLE**

| Kiersten A. Bourgeois, Chair, Vermont Development Cabinet |

**DATE**

| 21 Sept 09 |
## EPA Funding Information

<table>
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<tr>
<th>FUNDS</th>
<th>FORMER AWARD</th>
<th>THIS ACTION</th>
<th>AMENDED TOTAL</th>
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<tbody>
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<td>EPA Amount This Action</td>
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<td>$612,000</td>
</tr>
<tr>
<td>EPA In-Kind Amount</td>
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<td>$</td>
<td>$0</td>
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<tr>
<td>Unexpended Prior Year Balance</td>
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<td>Other Federal Funds</td>
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<td>Recipient Contribution</td>
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<td>State Contribution</td>
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<td>Local Contribution</td>
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<td>Other Contribution</td>
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<tr>
<td>Allowable Project Cost</td>
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<td>$612,000</td>
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**Assistance Program (CFDA)**

| 66.818 - Brownfields Assessment and Cleanup Cooperative Agreements |

**Statutory Authority**

| American Recovery and Reinvestment Act of 2009 |

**Regulatory Authority**

| 40 CFR PART 31 |

### Fiscal

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Req No</th>
<th>FY</th>
<th>Appropriation Code</th>
<th>Budget Organization</th>
<th>PRC</th>
<th>Object Class</th>
<th>Site/Project Organization</th>
<th>Cost</th>
<th>Obligation / Deobligation</th>
</tr>
</thead>
<tbody>
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<td>0910</td>
<td>E4S</td>
<td>016</td>
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<td>4114</td>
<td>G100SB00</td>
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<td>1. Personnel</td>
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<td>3. Travel</td>
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<td>4. Equipment</td>
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<td>5. Supplies</td>
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<td>8. Other</td>
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<td>10. Indirect Costs: % Base</td>
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<td>11. Total (Share: Recipient 0.00 % Federal 100.00 %.)</td>
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<td>12. Total Approved Assistance Amount</td>
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<td>13. Program Income</td>
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<td>14. Total EPA Amount Awarded This Action</td>
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<td>15. Total EPA Amount Awarded To Date</td>
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<td></td>
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</tr>
</tbody>
</table>
Kiersten Bourgeois
State of Vermont
Department of Economic Development
National Life Building-North, Drawer 20
Montpelier, VT 05620-0501

Dear Ms. Bourgeois:

On behalf of the United States Environmental Protection Agency (EPA), I am pleased to confirm that the Vermont Department of Economic Development has been selected to receive American Recovery and Reinvestment (ARRA) Act of 2009 supplemental funding in the amount of $612,000 in hazardous substances funding for additional capitalization of its Brownfields Revolving Loan Fund grant.

We are pleased to see the progress the Vermont Department of Economic Development has made, and wish you continued success. Diane Kelley, your region’s Brownfields Coordinator, will work closely with you to award a new cooperative agreement to reflect this supplemental award. Ms. Kelley can be reached by telephone at (617) 918-1424 should you have questions regarding this award.

We look forward to continuing our cooperative work with the Vermont Department of Economic Development, and applaud your successes in promoting brownfields cleanups and community revitalization.

Sincerely,

[Signature]

David R. Lloyd, Director
Office of Brownfields and Land Revitalization

cc: Diane Kelley, US EPA Region 1 Brownfields Coordinator
II. GENERAL COOPERATIVE AGREEMENT
ADMINISTRATIVE REQUIREMENTS

A. Term of the Agreement

1. The term of an RLF agreement is five years, unless otherwise extended by EPA at the CAR’s request.

2. If after 1 year from date of award, EPA determines that the recipient has not made sufficient progress in implementing its RLF, EPA may terminate the agreement. The CAR should note that in order to ensure adequate review time, the review of sufficient progress could begin as early as June 30, 2010 and the CAR must report on sufficient progress no later than August 30, 2010. Sufficient progress is indicated by the grantee having made loan(s) and/or subgrant(s), but may also be demonstrated by a combination of all the following: hiring of all key personnel, the establishment and advertisement of the RLF, and the development of one or more potential loans/subgrants.

B. Substantial Involvement

1. The U.S. EPA may be substantially involved in overseeing and monitoring this cooperative agreement.

   a. Substantial involvement by the U.S. EPA generally includes administrative activities such as: monitoring; review and approval of procedures for loan and subgrant recipient selection; review of project phases; and approval of substantive terms included in professional services contracts.

   b. Substantial EPA involvement also includes brownfields property-specific funding determinations described in I. B.1. under EPA and/or State Approvals of Brownfields Sites above. The CAR may also request technical assistance from EPA on which sites qualify as a brownfields site and when determining whether the statutory prohibition found in section 104(k)(4)(B)(i)(IV) of CERCLA applies. Generally, this prohibition prohibits a grant or loan recipient from using grant funds to cleanup a site if the recipient is potentially liable under §107 of CERCLA for that site.

   c. Substantial EPA involvement may include reviewing financial and environmental status reports; and monitoring all reporting, record-keeping, and other program requirements.

   d. Substantial EPA involvement may include the review of the substantive terms of RLF loans and cleanup subgrants.

   e. EPA may waive any of the provisions in term and condition II. B.1, with the exception of property-specific funding determinations. EPA will provide waivers in writing.

2. Effect of EPA’s substantial involvement includes:
a. EPA’s view of any project phase, document, cost incurred under this cooperative agreement will not have any effect upon CERCLA §128 Eligible Response Site determinations or for rights, authorities, and actions under CERCLA or any Federal statute.

b. The CAR remains responsible for ensuring that all cleanups are protective of human health and the environment and comply with all applicable Federal and State laws.

c. The CAR remains responsible for ensuring costs are allowable under applicable OMB Circulars.

C. Cooperative Agreement Recipient Roles and Responsibilities

1. The CAR must acquire the services of a qualified environmental professional(s) to coordinate, direct, and oversee the brownfields cleanup activities at a particular site, if they do not have such a professional on staff.

   a. The CAR shall act as or appoint a qualified “fund manager” to carry out responsibilities that relate to financial management of the loan and/or subgrant program. However, the CAR remains accountable to EPA for the proper expenditure of cooperative agreement funds. Any funding arrangements between the CAR and the fund manager for services performed must be consistent with 40 CFR Part 31.

   b. The CAR is responsible for ensuring that borrowers and subgrant recipients comply with the terms of their agreements with the CAR, and that agreements between the CAR and borrowers and subgrant recipients are consistent with the terms and conditions of this agreement.

D. Recovery Act Quarterly Progress Reports

1. The CAR must report in three different areas on Recovery Act funds.

   a. First, the CAR (and any sub-recipients) must report in www.FederalReporting.Gov within ten calendar days after the end of each calendar quarter (Recovery Act Section 1512 reporting requirements). The first report is due on October 10, 2009. FederalReporting.Gov is a Government-wide system, managed by OMB, which will collect information on the use of Recovery Act funds from all Recovery Act fund recipients and their sub-recipients. For more information on the requirements for FederalReporting.gov please see Brownfields Administrative Term & Condition #25.

   b. Second, the CAR must report on interim progress and any final accomplishments by completing and submitting relevant portions of the Property Profile Form (e.g., reporting the signing of a loan or subgrant, the initiation of cleanup activities, the completion of cleanup activities, institutional controls, contaminants, and reuse). The CAR must submit the updated Property Profile Form reflecting such events as soon as the accomplishment has occurred, or within 30 days after the end of the Federal fiscal quarter in which the event occurred. The CAR will be provided access to an on line reporting system, the Assessment, Cleanup and Redevelopment Exchange System, by the EPA Project Officer to perform their
reporting requirements. Alternately, the CAR may complete a hard copy version of the Property Profile Form available from their EPA Project Officer or online at: http://www.epa.gov/brownfields/pubs/rptforms.htm.

c. Third, the CAR must submit progress reports on a quarterly basis to the EPA Project Officer. Quarterly progress reports must include:
   i. Documentation of progress at meeting performance outcomes/outputs, project narrative, project timeline, and an explanation for any slippage in meeting established output/outcomes (see D.1.d. below for specifics).
   ii. An update on project milestones.
   iii. A budget recap summary page with the following headings: (A) Current Approved Recovery Act Budget; (B) Recovery Act Costs Incurred this Quarter; (C) Recovery Act Costs Incurred to Date; and (D) Total Remaining Recovery Act Funds.
   iv. If applicable, quarterly reports must specify costs incurred at petroleum contaminated brownfields sites.

d. Quarterly reports must clearly identify which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the workplan including a list of sites where cleanup (either through loans or subgrants) activities were completed. Refer to the model quarterly report on the regional website. To the extent consistent with the workplan for this agreement, activities undertaken with EPA funds to be included in quarterly performance and financial reporting include:
   1. Date of loan or subgrant (interim measure to show grant progress before actual cleanup work begins)
   2. Acres per property(ies)
   3. Cleanup completed
   4. Types of contaminants cleaned up
   5. Acres of greenspace created
   6. Engineering/institutional controls required, type, and whether they are in place
   7. Redevelopment underway
   8. Number/value of loans made
   9. Number/value of subgrants made
   10. Funds leveraged
   11. Jobs leveraged *
   12. Health monitoring studies, insurance, and/or institutional controls funded
   13. Program Income

* Reporting requirements for “jobs leveraged” differs from reporting on jobs created and retained under Term and Condition D.1.a. Please see EPA’s Frequently Asked Questions on Brownfields Recovery Act grants at (web site) or contact your project officer for additional guidance.

2. The CAR must maintain records that will enable it to report to EPA on the amount of Recovery Act funds expended by the CAR, borrowers or subgrant recipients at petroleum sites.

3. In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as
problems, delays ... adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan.

III. FINANCIAL ADMINISTRATION REQUIREMENTS

A. Eligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. To the extent allowable under the EPA approved workplan, cooperative agreement funds may be used for eligible programmatic expenses to capitalize the RLF and conduct cleanups.

   a. The CAR must maintain records that will enable it to report to EPA on the amount of costs incurred by the CAR, borrowers or subgrant recipients at petroleum-only brownfields sites.

   b. The funds must be used by the CAR to provide loans or subgrants for the cleanup of eligible brownfields sites and for eligible programmatic costs for managing the RLF. Note: Cleanup subgrants are limited to $200,000 per site. The CAR may petition EPA to waive the $200,000 per site subgrant limitation, if such a waiver would promote the goals of the Recovery Act through increased job creation, retention, and economic development.

   c. The CAR may discount loans, also referred to as the practice of forgiving a portion of loan principle. For an individual loan, the amount of principal discounted may be any percentage of the total loan amount up to 30 percent, provided that the total amount of the principal forgiven for that loan shall not exceed $200,000. The entities eligible for discounted loans are provided below.

   d. To determine whether a cleanup subgrant is appropriate, the CAR must consider:

      i. The extent the subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;

      ii. The extent the subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;

      iii. The extent the subgrant will facilitate the use or reuse of existing infrastructure; and

      iv. The benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation.
The CAR must maintain sufficient records to support and document these determinations.

2. The CAR may use cooperative agreement funds to capitalize a revolving loan fund to be used for loans or subgrants for cleanup and for eligible programmatic expenses. Eligible programmatic expenses may include direct costs for:

a. Determining whether RLF cleanup activities at a particular site are authorized by CERCLA 104(k);

b. Ensuring that a RLF cleanup complies with applicable requirements under Federal and State laws, as required by CERCLA 104(k);

c. Ensuring that public participation requirements are met. This includes developing or funding a community relations plan which will include reasonable notice, opportunity for involvement, and response to comments;

d. Establishing an administrative record for each site;

e. Ensuring the adequacy of each RLF cleanup as it is implemented, including overseeing the borrowers and/or subgrantees activities to ensure compliance with applicable Federal and State environmental requirements;

f. The development of Quality Assurance Project Plans (QAPPs) as required by Part 31 and Part 30 regulations;

g. Ensuring that the site is secure if a borrower or subgrant recipient is unable or unwilling to complete a brownfields cleanup;

h. Preparing an analysis of brownfields cleanup alternatives which will include information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the response proposed. The evaluation will include an analysis of reasonable alternatives including no action;

i. For petroleum sites, an analysis of cleanup alternatives would include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures;

j. Using a portion of a loan or subgrant to purchase environmental insurance for the site. The loan or subgrant may not be used to purchase insurance intended to provide coverage for any of the Ineligible Uses under Section D.

k. Any other eligible programmatic costs including costs incurred by the recipient in making and managing a loan; obtaining financial management services; quarterly reporting to EPA; awarding and managing subgrants to the extent allowable in III. D. 2.; and carrying out outreach pertaining to the loan and subgrant program to potential borrowers and subgrant recipients; and
1. Subgrant progress reporting to the CAR is an eligible programmatic cost.

3. No more than 10% of the funds awarded by this agreement may be used by the CAR itself as a programmatic cost for brownfield program development and implementation (including monitoring of health and institutional controls) as described in Task 1 (or other task labeled Cooperative Agreement Oversight) of the EPA approved workplan. The CAR must maintain records on funds that will be used to carry out Task 1 of its EPA approved workplan to ensure that no more than 10% of its funds are used for brownfield program development and implementation (including monitoring of health and institutional controls).

4. If the CAR makes a subgrant to a local government that includes an amount (not to exceed 10% of the subgrant) for brownfields program development and implementation, the terms and conditions of that agreement must include a provision that ensures that the local government subgrantee maintains records adequate to ensure compliance with the limits on the amount of subgrant funds that may be expended for this purpose.

C. Ineligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. Cooperative agreement funds shall not be used by the CAR, borrower and/or subgrant recipient for any of the following activities:

   a. To fund particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

   b. Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup.

   c. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action.

   d. Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility), and addressing public or private drinking water supplies that have deteriorated through ordinary use;

   e. Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant.

   f. To pay for a penalty or fine.

   g. To pay a federal cost share requirement (for example, a cost-share required by another Federal grant) unless there is specific statutory authority.

   h. To pay for a response cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107.
i. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup.

j. Unallowable costs (e.g., lobbying and fund raising) under applicable OMB Circulars.

2. Under CERCLA 104(k)(4)(B), administrative costs are prohibited costs under this agreement. Prohibited administrative costs include all indirect costs under applicable OMB Circulars incurred by the CAR and subgrantees.

a. Ineligible administrative costs include costs incurred in the form of salaries, benefits, contractual costs, supplies, and data processing charges, incurred to comply with most provisions of the Uniform Administrative Requirements for Grants contained in 40 CFR Part 30 or 40 CFR part 31. Direct costs for grant and subgrant administration, with the exception of costs specifically identified as eligible programmatic costs, are ineligible even if the grantee or subgrant recipient is required to carry out the activity under the grant agreement. Costs incurred to report quarterly performance to EPA under the grant are eligible.

b. Ineligible grant or subgrant administration costs include direct costs for:

   i. Preparation of applications for Brownfields grants and subgrants;

   ii. Record retention required under 40 CFR 30.53 and 40 CFR 31.42;

   iii. Record-keeping associated with supplies and equipment purchases required under 40 CFR 30.33, 30.34, and 30.35 and 40 CFR 31.32 and 31.33;

   iv. Preparing revisions and changes in the budgets, scopes of work, program plans and other activities required under 40 CFR 30.25 and 40 CFR 31.30;

   v. Maintaining and operating financial management systems required under 40 CFR 30 and 40 CFR 31;

   vi. Preparing payment requests and handling payments under 40 CFR 30.22 and 40 CFR 31.21;

   vii. Non-federal audits required under 40 CFR 30.26, 40 CFR 31.26, and OMB Circular A-133; and


ix. Borrowers are subject to the CERCLA 104(k)(4)(B) administrative cost prohibition requirements. The CAR must ensure that loan agreements prohibit borrowers and subgrantees from using loans financed with cooperative agreement funds for administrative costs.

c. Prohibited administrative costs for the borrower (including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges) are those incurred for loan administration and overhead costs.
d. Direct costs for loan administration are ineligible even if the borrower is required to carry out the activity under the loan agreement. Ineligible loan administration costs include expenses for:

i. Preparation of applications for loans and loan agreements;

ii. Preparing revisions and changes in the budget, workplans, and other documents required under the loan agreement;

iii. Maintaining and operating financial management and personnel systems;

iv. Preparing payment requests and handling payments; and

v. Audits.

vi. Overhead costs by the borrower that do not directly clean up brownfields site contamination or comply with laws applicable to the cleanup are ineligible administrative costs. Examples of overhead costs that would be ineligible in loans include expenses for:

vii. Salaries, benefits and other compensation for personnel who are not directly engaged in the cleanup of the site (e.g., marketing and human resource personnel);

viii. Facility costs such as depreciation, utilities, and rent on the borrower's administrative offices; and

ix. Supplies and equipment not used directly for cleanup at the site.

x. Costs incurred by the borrower for procurement are eligible only if the procurement contract is for services or products that are direct costs for performing the cleanup, for insurance costs, or for maintenance of institutional controls.

xi. Direct costs by the borrower for progress reporting to the lender are eligible programmatic costs.

3. Cooperative agreement funds may not be used for any of the following properties:

a. Facilities listed, or proposed for listing, on the National Priorities List (NPL);

b. Facilities subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;

c. Facilities that are subject to the jurisdiction, custody or control of the United States government except land held in trust by the United States government for an Indian tribe; or
d. A site excluded from the definition of a brownfields site for which EPA has not made a property-specific funding determination.

4. The CAR must not include management fees or similar charges in excess of the direct costs or at the rate provided for by the terms of the agreement negotiated with EPA. The term “management fees or similar charges” refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

D. Subgrant Recipient and Borrower Eligibility

1. The CAR may only provide cleanup subgrants to an eligible entity or nonprofit organization to clean up sites owned by the eligible entity or nonprofit organization at the time the subgrant is awarded. Eligible subgrant recipients include eligible entities as defined under CERCLA 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible for subgrants.

   a. The subgrant recipient must retain ownership of the site throughout the period of performance of the subgrant. For the purposes of this agreement, the term “owns” means fee simple title unless EPA approves a different arrangement. However, the CAR may not provide a subgrant to itself or another component of its own unit of government or organization.

   b. The CAR may discount loans for those eligible entities identified in CERCLA section 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. This definition includes non profit universities and other non profit educational institutions. Private, for-profit entities are not eligible for discounted loans.

   c. The CAR shall not loan or subgrant funds that will be used to pay for cleanup activities at a site for which a loan or grant recipient is potentially liable under CERCLA §107. The CAR may rely on its own investigation which can include an opinion from the subgrant recipient’s or borrower’s counsel. However, the CAR must advise the borrower or subgrant recipient that the investigation and/or opinion of the subgrant recipient’s or borrower’s counsel is not binding on the Federal Government.

   d. For approved eligible petroleum-contaminated brownfields sites, the person cleaning up the site must be a person who is not potentially liable for cleaning up the site. For brownfields grant purposes, an entity generally will not be considered potentially liable for petroleum contamination if it has not dispensed or disposed of petroleum or petroleum-product at the site, has not exacerbated the contamination at the site, and took reasonable steps with regard to the contamination at the site.
e. The CAR shall maintain sufficient documentation supporting and demonstrating the eligibility of the sites, borrowers, and subgrant recipients.

f. A borrower or subgrant recipient must submit information regarding its overall environmental compliance history including any penalties resulting from environmental non-compliance at the site subject to the loan or subgrant. The CAR, in consultation with the EPA, must consider this history in its analysis of the borrower or subgrant recipient as a cleanup and business risk.

g. An entity that is currently suspended, debarred, or otherwise declared ineligible cannot be a borrower or subgrant recipient.

E. Obligations for Grant Recipients, Borrowers, or Subgrantees Asserting a Limitation on Liability from CERCLA §107

1. Grant recipients, borrowers, or subgrantees who are eligible, or seek to become eligible, to receive a grant, loan, or subgrant based on a liability protection from CERCLA as a: (1) bona fide prospective purchaser (BFPP), (2) contiguous property owner (CPO), or (3) innocent landowner (ILO) (known as the “landowner liability protections”), must meet certain threshold criteria and satisfy certain continuing obligations to maintain their status as an eligible grant recipient, borrower, or subgrantee. These include, but are not limited to the following:

a. All grant recipients, borrowers, or subgrantees asserting a BFPP, CPO or ILO limitation on liability must perform (or have already performed) "all appropriate inquiry," as found in section 101(35)(B) of CERCLA, on or before the date of acquisition of the property.

b. Grant recipients, borrowers, or subgrantees seeking to qualify as bona fide prospective purchasers or contiguous property owners must not be:

   i. potentially liable, or affiliated with any other person that is potentially liable,

   ii. for response costs at the facility through (a) any direct or indirect familial relationship; or (b) any contractual, corporate, or financial relationships; or

   iii. a reorganized business entity that was potentially liable or

   iv. otherwise liable under CERCLA §107(a) as a prior owner or operator, or generator or transporter of hazardous substances to the facility.

c. Landowners must meet certain continuing obligations in order to achieve and maintain status as a landowner protected from CERCLA liability. These continuing obligations include:
i. complying with any land use restrictions established or relied on in connection with the response action at the vessel or facility and not impeding the effectiveness or integrity of institutional controls;

ii. taking reasonable steps with respect to hazardous substance releases;

iii. providing full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration;

iv. complying with information requests and administrative subpoenas (applies to bona fide prospective purchasers and contiguous property owners); and

v. complying with legally required notices (again, applies to bona fide prospective purchasers and contiguous property owners) [see CERCLA § 101(40)(B)-(H), 107(q)(1)(A), 101(35)(A)-(B)].

d. CERCLA requires additional obligations to maintain liability protection. These obligations are found at §§ 101(35), 101(40), 107(b), 107(q) and 107(r).

2. Use of Program Income

   a. In accordance with 40 CFR 31.25(g)(2), the CAR is authorized to add program income to the funds awarded by the EPA and use the program income under the same terms and conditions of this agreement. Program income for the RLF shall be defined as the gross income received by the recipient, directly generated by the cooperative agreement award or earned during the period of the award. Program income shall include principal repayments, interest earned on outstanding loan principal, interest earned on accounts holding RLF program income not needed for immediate lending, all loan fees and loan-related charges received from borrowers and other income generated from RLF operations including proceeds from the sale, collection, or liquidations of assets acquired through defaults of loans.

   b. The CAR may use program income from fees, interest payments from loans, and other forms of eligible program income to meet its cost-share. The CAR shall not use repayments of principal of loans to meet the CAR’s cost-share requirement. Repayments of principal must be returned to the CAR’s Brownfields cleanup revolving fund.

   c. The CAR that elects to use program income to cover all or part of a RLF’s programmatic costs shall maintain adequate accounting records and source documentation to substantiate the amount and percent of program income expended for eligible RLF programmatic costs, and comply with applicable OMB cost principles when charging costs against program income. For any cost determined by the EPA to have been an ineligible use of program income, the recipient shall reimburse the RLF or the EPA. EPA will notify the recipient of the time period allowed for reimbursement.
d. Loans or subgrants made with a combination of program income and direct funding from EPA are subject to the same terms and conditions as those applicable to this agreement. Loans and subgrants made with direct funding from EPA in combination with non-Federal sources of funds are also subject to the same terms and conditions of this agreement.

e. CAR must obtain EPA approval of the substantive terms of loans and subgrants made entirely with program income.

H. Post Cooperative Agreement Program Income

1. After the end of the award period, the CAR shall use program income in a manner consistent with the terms and conditions of a "close out" agreement negotiated with EPA. In accordance with 40 CFR 31.42(c)(3), the CAR shall maintain appropriate records to document compliance with the requirements of the close-out agreement (i.e., records relating to the use of post-award program income). EPA may request access to these records or may negotiate post-close-out reporting requirements to verify that post-award program income has been used in accordance with the terms and conditions of the close-out agreement.

2. Interest-Bearing Accounts
   
   a. The CAR must deposit advances of grant funds and program income (e.g., fees, interest payments, repayment of principal) in an interest-bearing account.

   b. Interest earned on advances, CARs and subgrant recipients are subject to the provisions of 40 CFR §31.21(i) and §30.22(l) relating to remitting interest on advances to EPA on a quarterly basis.

   c. Interest earned on program income is considered additional program income.

IV. RLF ENVIRONMENTAL REQUIREMENTS

A. Authorized RLF Cleanup Activities

1. The CAR shall prepare an analysis of brownfields cleanup alternatives which will include information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the response proposed. The evaluation will include an analysis of reasonable alternatives including no action. The cleanup method chosen must be based on this analysis.

2. For cleanup of petroleum sites, an analysis of cleanup alternatives must include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures. The cleanup method chosen must be based on this analysis.

3. Prior to conducting or engaging in any on-site activity with the potential to impact historic properties (such as invasive sampling or cleanup), the grantee shall consult with EPA regarding potential applicability of the National Historic Preservation Act and, if
applicable, shall assist EPA in complying with any requirements of the Act and implementing regulations.

B. Quality Assurance (QA) Requirements

1. If environmental samples are to be collected as part of the brownfields cleanup (e.g., cleanup verification sampling, post-cleanup confirmation sampling), the CAR shall comply with 40 CFR Part 31.45 (or 40 CFR Part 30.54 requirements for nonprofit organizations) requirements to develop and implement quality assurance practices sufficient to produce data adequate to meet project objectives and to minimize data loss. State law may impose additional QA requirements.

The recipient will develop Quality Assurance Project Plans [QAPP] to support all environmental data operations in accordance with "The EPA New England Quality Assurance Project Plan Program Guidance ," 2008. The term “environmental data operations” refers to any measurement or information that describe environmental processes, conditions, or location; ecological or health effects; produced from models or surveys; compiled from other sources such as data bases and literature; or the performance of environmental technology. The Quality Assurance Project Plan must be approved by EPA before any data collection and/or generation activities begin. Unless an alternate schedule was previously agreed upon, no later than 30 days prior to the scheduled commencement of data collection and/or data generation activities, the recipient will submit a Quality Assurance Project Plan to the following:

- EPA Project Officer (see page 1 of assistance agreement for name and address) and
- Regional Quality Assurance Manager (EQA)
U.S. Environmental Protection Agency
11 Technology Drive
North Chelmsford, MA 01863

C. Community Relations and Public Involvement in RLF Cleanup Activities

1. All RLF loan and subgrant cleanup activities require a site-specific community relations plan that includes providing reasonable notice, opportunity for involvement, response to comments, and administrative records that are available to the public.

D. Administrative Record

1. The CAR shall establish an administrative record that contains the documents that form the basis for the selection of a cleanup plan. Documents in the administrative record shall include an analysis of reasonable alternatives including no action; site investigation reports; the cleanup plan; cleanup standards used; responses to public comments; and verification that shows that cleanups are complete. The CAR shall keep the administrative record available at a location convenient to the public and make it available for inspection.

E. Implementation of RLF Cleanup Activities

1. The CAR shall ensure the adequacy of each RLF cleanup in protecting human health and the environment as it is implemented. Each loan and subgrant agreement shall contain
terms and conditions, subject to any required approval, the regulatory oversight authority, that allow the CAR to change cleanup activities as necessary based on comments from the public or any new information acquired.

2. If the borrower or subgrant recipient is unable or unwilling to complete the RLF cleanup, the CAR shall ensure that the site is secure. The CAR shall notify the appropriate state agency and the U.S. EPA to ensure an orderly transition should additional activities become necessary.

F. Completion of RLF Cleanup Activities

1. The CAR shall ensure that the successful completion of a RLF cleanup is properly documented. This must be done through a final report or letter from a qualified environmental professional, or other documentation provided by a State or Tribe that shows cleanups are complete. This documentation needs to be included as part of the administrative record.

V. REVOLVING LOAN FUND REQUIREMENTS

A. Prudent Lending and Subgranting Practices

1. The CAR is expected to establish economically sound structures and day-to-day management and processing procedures to maintain the RLF and meet long-term brownfield cleanup lending/subgranting objectives. These include establishing: underwriting principles that can include the establishment of interest rates, repayment terms, fee structure, and collateral requirements; and, lending/subgranting practices that can include loan/subgrant processing, documentation, approval, servicing, administrative procedures, collection, and recovery actions.

2. The CAR shall not incur costs under this cooperative agreement for loans, subgrants or other eligible costs until an RLF grant workplan has been submitted to and approved by U.S. EPA. The workplan must identify tasks and milestones for establishing and operating the RLF. The CAR shall ensure that the objectives of the workplan are met through its or the fund manager's selection and structuring of individual loans/subgrants and lending/subgranting practices. These activities shall include, but not be limited to the following:

   a. Considering awarding subgrants on a competitive basis. If the CAR decides not to award any subgrants competitively, it must document the basis for that decision and inform EPA.

   b. Establishing appropriate project selection criteria consistent with Federal and state requirements, the intent of the RLF program, and the cooperative agreement entered into with EPA.

   c. Establishing threshold eligibility requirements whereby only eligible borrowers or subgrant recipients receive RLF financing.

   d. Developing a formal protocol for potential borrowers or subgrant recipients to
demonstrate eligibility, based on the procedures described in the initial RLF application proposal and cooperative agreement application. Such a protocol shall include descriptions of projects that will be funded, how loan monies will be used, and qualifications of the borrower or subgrant recipient to make legitimate use of the funds. Additionally, CARs shall ask borrowers or subgrant recipients for an explanation of how a project, if selected, would be consistent with RLF program objectives, statutory requirements and limitations, and protect human health and the environment.

e. Requiring that borrowers or subgrant recipients submit information describing the borrower’s or subgrant recipient’s environmental compliance history. The CAR shall consider this history in an analysis of the borrower or subgrant recipient as a cleanup and business risk.

f. Establishing procedures for handling the day-to-day management and processing of loans and repayments.

g. Establishing standardized procedures for the disbursement of funds to the borrower or subgrant recipient.

B. Inclusion of Special Terms and Conditions in RLF Loan and Subgrant Documents

1. The CAR shall ensure that the borrower or subgrant recipient meets the cleanup and other program requirements of the RLF grants by including the following special terms and conditions in RLF loan agreements and subgrant awards:

a. Borrowers or subgrant recipients shall use funds only for eligible activities and in compliance with the requirements of CERCLA 104(k) and applicable Federal and State laws and regulations. See Section I.A.2.

b. Borrowers or subgrant recipients shall ensure that the cleanup protects human health and the environment.

c. Borrowers or subgrant recipients shall document how funds are used. If a loan or subgrant includes cleanup of a petroleum-contaminated brownfields site(s), the CAR shall include a term and condition requiring that the borrower or subgrant recipient maintain separate records for costs incurred at that site(s).

d. Borrowers or subgrant recipients shall maintain records for a minimum of three years following completion of the cleanup financed all or in part with RLF funds. Borrowers or subgrant recipients shall obtain written approval from the CAR prior to disposing of records. Cooperative agreement recipients shall also require that the borrower or subgrant recipient provide access to records relating to loans and subgrants supported with RLF funds to authorized representatives of the Federal government.

e. Borrowers or subgrant recipients shall certify that they are not currently, nor have they been, subject to any penalties resulting from environmental non-compliance at the site subject to the loan.