# U.S. ENVIRONMENTAL PROTECTION AGENCY

## Grant Agreement

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| **GRANT NUMBER (FAIN):** 50000125<br>**MODIFICATION NUMBER:** 0<br>**PROGRAM CODE:** CS | **DATE OF AWARD**<br>08/28/2025 |
| **TYPE OF ACTION:**<br>New | **MAILING DATE**<br>09/03/2025 |
| **PAYMENT METHOD:**<br>ASAP | **ACH#**<br>10114 |

| | |
|---|---|
| **RECIPIENT TYPE:**<br>State | **Send Payment Request to:**<br>Contact EPA RTPFC at: rtpfc-grants@epa.gov |
| **RECIPIENT:** | **PAYEE:** |
| DEPARTMENT OF ENVIRONMENTAL CONSERVATION VERMONT<br>One National Life Drive<br>Davis 1<br>Montpelier, VT 05620-0001<br>**EIN:** 03-6000274 | DEPARTMENT OF ENVIRONMENTAL CONSERVATION VERMONT<br>One National Life Drive<br>Davis 1<br>Montpelier, VT 05620-0001 |

| PROJECT MANAGER | EPA PROJECT OFFICER | EPA GRANT SPECIALIST |
|---|---|---|
| Padraic Monks<br>1 National Life Drive<br>Davis 3<br>Montpelier, VT 05620-3520<br>**Email:** padraic.monks@vermont.gov<br>**Phone:** 802-490-6169 | Clare Oconnor<br>5 Post Office Square, Suite 100<br>Boston, MA 02109-3912<br>**Email:** Oconnor.Clare@epa.gov<br>**Phone:** 617-918-1548 | Flower Armijo<br>Grants Management Branch<br>5 Post Office Square, Suite 100<br>Boston, MA 02109-3912<br>**Email:** Armijo.Flower@epa.gov<br>**Phone:** 617-918-1923 |

**PROJECT TITLE AND DESCRIPTION**

Base Fiscal Year 2025 Clean Water State Revolving Fund Grant

This agreement funds a capitalization grant for the recipient's Clean Water State Revolving Fund program.

The recipients of these funds provide low interest financing to numerous subrecipients.

Anticipated deliverables include financing planning, design, and construction of eligible water quality improvement and protection projects. The expected outcomes are to improve and protect water quality and public health. The intended beneficiaries include citizens throughout the State.

N/A - all SRF assistance will be provided as loans

| BUDGET PERIOD | PROJECT PERIOD | TOTAL BUDGET PERIOD COST | TOTAL PROJECT PERIOD COST |
|---|---|---|---|
| 10/01/2025 - 09/30/2032 | 10/01/2025 - 09/30/2032 | $ 9,345,600.00 | $ 9,345,600.00 |

## NOTICE OF AWARD

Based on your Application dated 07/18/2025 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards $ 7,788,000.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of $ 7,788,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.

| ISSUING OFFICE (GRANTS MANAGEMENT OFFICE) | AWARD APPROVAL OFFICE |
|---|---|
| **ORGANIZATION / ADDRESS** | **ORGANIZATION / ADDRESS** |
| U.S. EPA, Region 1, EPA New England<br>5 Post Office Square, Suite 100<br>Boston, MA 02109-3912 | U.S. EPA, Region 1, EPA New England<br>R1 - Region 1<br>5 Post Office Square, Suite 100<br>Boston, MA 02109-3912 |

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

| | |
|---|---|
| **Digital signature applied by EPA Award Official** Arthur Johnson - Director, Mission Support Division | **DATE**<br>08/28/2025 |

# EPA Funding Information

| FUNDS | FORMER AWARD | THIS ACTION | AMENDED TOTAL |
|---|---|---|---|
| EPA Amount This Action | $ 0 | $ 7,788,000 | $ 7,788,000 |
| EPA In-Kind Amount | $ 0 | $ 0 | $ 0 |
| Unexpended Prior Year Balance | $ 0 | $ 0 | $ 0 |
| Other Federal Funds | $ 0 | $ 0 | $ 0 |
| Recipient Contribution | $ 0 | $ 1,557,600 | $ 1,557,600 |
| State Contribution | $ 0 | $ 0 | $ 0 |
| Local Contribution | $ 0 | $ 0 | $ 0 |
| Other Contribution | $ 0 | $ 0 | $ 0 |
| Allowable Project Cost | $ 0 | $ 9,345,600 | $ 9,345,600 |

| Assistance Program | Statutory Authority | Regulatory Authority |
|---|---|---|
| 66.458 - Clean Water State Revolving Fund | Clean Water Act: Title VI | 2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 35 Subpart K |

| Fiscal | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Site Name | Req No | FY | Approp. Code | Budget Organization | PRC | Object Class | Site/Project | Cost Organization | Obligation / Deobligation |
| - | 25010NG053 | 25 | E2 | 016 | 000B80 | 4111 | 25CA | - | $ 7,788,000 |
| | | | | | | | | | $ 7,788,000 |

Budget Summary Page

| Table A - Object Class Category (Non-Construction) | Total Approved Allowable Budget Period Cost |
|---|---|
| 1. Personnel | $ 146,448 |
| 2. Fringe Benefits | $ 102,123 |
| 3. Travel | $ 0 |
| 4. Equipment | $ 0 |
| 5. Supplies | $ 958 |
| 6. Contractual | $ 0 |
| 7. Construction | $ 0 |
| 8. Other | $ 9,058,478 |
| 9. Total Direct Charges | $ 9,308,007 |
| 10. Indirect Costs: 0.00 % Base - | $ 37,593 |
| 11. Total (Share: Recipient 16.67 % Federal 83.33 %) | $ 9,345,600 |
| 12. Total Approved Assistance Amount | $ 7,788,000 |
| 13. Program Income | $ 0 |
| 14. Total EPA Amount Awarded This Action | $ 7,788,000 |
| 15. Total EPA Amount Awarded To Date | $ 7,788,000 |

# Administrative Conditions

## National Administrative Terms and Conditions

### General Terms and Conditions

The recipient agrees to comply with the current Environmental Protection Agency (EPA) general terms and conditions available at: https://www.epa.gov/system/files/documents/2024-10/fy_2025_epa_general_terms_and_conditions_effective_october_1_2024_or_later.pdf

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: https://www.epa.gov/grants/grant-terms-and-conditions#general.

### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

•Federal Financial Reports (SF-425): rtpfc-grants@epa.gov and Project Officer on Page 1 of Award Document

•All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Grants Specialist and Project Officer on Page 1 of Award Document

•Payment requests (if applicable): Grants Specialist and Project Officer on Page 1 of Award Document

•Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Project Officer on Page 1 of Award Document AND R1QAPPs@epa.gov

# Programmatic Conditions

**FFY 2025 CWSRF Base Programmatic Terms and Conditions**

**A. Payment Schedule**

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

| Payment Quarter | Payment Date | Payment Amount |
|---|---|---|
| FFY2026/Quarter 1 | 10/1/2025 | $1,947,000.00 |
| FFY2026/Quarter 2 | 01/1/2026 | $1,947,000.00 |
| FFY2026/Quarter 3 | 04/1/2026 | $0 |
| FFY2026/Quarter 4 | 07/1/2026 | $3,894,000.00 |

**B. State Match**

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

**C. Intended Use Plan and Operating Agreement**

The entire contents of the SFY 2025 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement. The State is required to have a final intended use plan (IUP) approved by EPA Region 1 prior to drawing any federal funds from this capitalization grant. Once the draft IUP has been public noticed and comments have been reviewed and incorporated, the final IUP will be submitted to the EPA Region 1 Project Officer for review.

**D. Amended Cash Draw Proportionality**

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked notification memo from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

**E. Travel**

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Clean Water SRF (CWSRF) program. The recipient agrees to use CWSRF funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

**F. SRF Data System and Environmental Benefits Reporting**

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the

State Revolving Funds (SRF) from the Full Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4), agrees to comply with all requests for data related to the use of the funds under Title VI of the Clean Water Act (CWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 119-4. EPA agrees to provide technical assistance to the state in its use of the SRF Data System.

**G. Annual Reporting**

In accordance with 2 CFR 200.329 and 40 CFR 35.3165 the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP, 2) the reasons for delays if established outputs or outcomes were not met, 3) any additional pertinent information on environmental results, 4) compliance with the Green Project Reserve requirement, and 5) use of additional subsidization.

**H. Program Income from Administrative Fees**

Program income earned during the grant period may be used for the specific purposes identified in 2 CFR 200.307 and 2 CFR 1500.8. The recipient agrees to comply with EPA's "Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance" issued October 20, 2005, as amended by subsequent guidance. Specifically, the State has agreed: 1) to maintain records which account for fees separate from the CWSRF project fund, 2) to identify in the IUP all types of fees charged on loans, including the fee rate, and the amount of fees available, and 3) to include in the annual report the types of fees charged on loans, the amount of fees collected, and how those amounts were used.

**I. Signage**

The recipient agrees to comply with the SRF Signage Guidelines in order to enhance public awareness of EPA assistance agreements nationwide. (See “Guidelines for Enhancing Public Awareness of SRF Assistance Agreements,” June 3, 2015.) Note that Executive Order 14224 of March 1, 2025, “Designating English as the Official Language of the United States,” revokes Executive Order 13166 of August 11, 2000, “Improving Access to Services for Persons with Limited English Proficiency.” The recipient is no longer required to comply with Executive Order 13166 as referenced in the SRF Signage Guidelines.

**J. Green Project Reserve**

The recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories. The State's annual open solicitation for projects will be deemed sufficient for these purposes as long as that solicitation was open to all GPR eligible projects in each of the four GPR categories. The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount equal to at least 10 percent of its capitalization grant. The state must document the GPR solicitation process in its IUP and Annual Report and explain, if applicable, why GPR projects totaling at least 10 percent of the capitalization grant were not able to be funded. Any State not meeting the 10 percent requirement must outline in the Annual Report how they will expand their GPR solicitation for the following year.

**K. Additional Subsidization**

In addition to the additional subsidy that must be provided as described in Section 603(i) of the CWA, the recipient agrees to use 10 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after March 15, 2025.

**L. Geospatial Data Standards**

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at www.fgdc.gov.

**M. American Iron and Steel (AIS)**

(a) *Definitions.* As used in this award term and condition—

(1) "iron and steel products" mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) "steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Title VI of the CWA by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

(i) applying the requirement would be inconsistent with the public interest;

(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph

(b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with Title VI of the CWA.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

**N. State Cybersecurity**

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks

to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

**O. Internal Controls for Financial Transactions**

The recipient agrees to use procedures consistent with “zero-trust” (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

**P. Davis-Bacon Labor Standards**

**1. Program Applicability**

a. Program Name: Clean Water State Revolving Fund

b. Statute requiring compliance with Davis-Bacon: Section 602(b)(6) of the Clean Water Act

c. Activities subject to Davis-Bacon: Treatment works constructed in whole or in part with assistance made available by a state water pollution control revolving fund authorized under Title VI of the Clean Water Act.

d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project (s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

**2.Davis-Bacon and Related Acts**

Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of $2,000 or more
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of $100,000

**3. Recipient Responsibilities When Entering Into and Managing Contracts:**

**a. Solicitation and Contract Requirements:**

**i. Include the Correct Wage Determinations in Bid Solicitations and Contracts:** Recipients are responsible for complying with the procedures provided in 29 CFR 1.6 when soliciting bids and awarding contracts.

**ii. Include DBRA Requirements in All Contracts:** Include the following text on all contracts under this grant:

**"By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants."**

**b. After Award of Contract:**

**i. Approve and Submit Requests for Additional Wages Rates:** Work with contractors to request additional wage rates if required for contracts under this grant, as provided in 29 CFR 5.5(a)(1)(iii).

**ii. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions:** Ensure contractor compliance with the terms of the contract, as required by 29 CFR 5.6.

**4. Recipient Responsibilities When Establishing and Managing Additional Subawards:**

**a. Include DBRA Requirements in All Subawards (including Loans):**

Include the following text on all subawards under this grant:

**"By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients."**

**b. Provide Oversight to Ensure Compliance with DBRA Provisions:** Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in 29 CFR 5.6.

**5.** The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see 29 CFR 5.1), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

**Q. Establishing and Managing Subawards**

If the recipient chooses to pass funds from this assistance agreement to other entities, the recipient must comply with applicable subaward provisions of 2 CFR Part 200 and the EPA Subaward Policy. As a pass-through entity, the recipient agrees to:

1. Select subrecipients and conduct subaward competitions, as appropriate, using a system that properly differentiates between subrecipients and procurement contractors consistent with the differentiating characteristics explained in 2 CFR 200.331 and EPA's supplemental guidance in Appendix A of the EPA Subaward Policy.

2. Verify that the potential subrecipient is not excluded or disqualified in accordance with the verification methods provided in 2 CFR 180.300, such as confirming in SAM.gov that a potential subrecipient is not suspended, debarred, or otherwise excluded from receiving Federal funds.

3. Establish and follow a system that ensures all subaward agreements are in writing and contain all of the elements required by 2 CFR 200.332(b). EPA has developed a template for subaward agreements that is available in

Appendix D of the EPA Subaward Policy.

4. Prior to making subawards, ensure that each subrecipient has a “Unique Entity Identifier” (UEI). The UEI is required by 2 CFR Part 25 and 2 CFR 200.332(b). Subrecipients are not required to complete full System for Award Management (SAM.gov) registration to obtain a UEI. Information regarding obtaining a UEI is available at the System for Award Management (SAM.gov) Internet site: http://www.sam.gov/SAM/and in the General Condition of the pass-through entity's agreement with EPA entitled “System for Award Management and Universal Identifier Requirements” T&C of the pass-through entity's agreement with the EPA.

5. Ensure that subrecipients are aware of the requirements that apply to the subaward, including those that flow down from the recipient, as required by 2 CFR 200.332(b) and monitor the activities of the subrecipient to ensure compliance with these requirements per 2 CFR 200.332(e). These requirements include, among others: a. Title VI of the Civil Rights Act and other Federal statutes and regulations prohibiting discrimination in Federal financial assistance programs, as applicable, including provisions protecting free speech, religious liberty, public welfare, and the environment per 2 CFR 200.300(a), as well as regulations, including 2 CFR 200.300(b) prohibiting discrimination based on sex.  b. Reporting Subawards and Executive Compensation under Federal Funding Accountability and Transparency Act (FFATA) set forth in the General Condition pass-through entity's agreement with EPA entitled “Reporting Subawards and Executive Compensation.” c. Limitations on individual consultant fees as set forth in 2 CFR 1500.10 and the General Condition of the pass-through entity's agreement with EPA entitled “Consultant Fee Cap.” d. EPA's prohibition on paying management fees as set forth in General Condition of the pass-through entity's agreement with EPA entitled “Management Fees.” e. The Procurement Standards in 2 CFR Part 200 including those requiring competition when the subrecipient acquires goods and services from contractors (including consultants) and Domestic preferences for procurements at 2 CFR 200.322. f. Other statutes, regulations and Executive Orders that may apply to subawards are described at Information on Requirements that Pass-Through Entities must “Flow Down” to Subrecipients. Many Federal requirements are agreement- or program-specific, and EPA encourages pass-through entities to review the terms of their assistance agreement carefully and consult with their EPA Project Officer for advice if necessary.

6. Establish and follow a system for evaluating subrecipient fraud risk and risk of noncompliance with a subaward to determine the appropriate monitoring described at 2 CFR 200.332(c) and consider whether, based on the evaluation of risk, additional monitoring tools may be useful as described in 2 CFR 200.332(f). When evaluating a subrecipient's risk, a pass-through entity should consider:  a. The subrecipient's prior experience with same or similar subawards; b. Results of previous audits, including considering whether the subrecipient receives a Single Audit, in accordance with 2 CFR Part 200, Subpart F and the extent to which the same or similar subawards have been audited as a major program; c. Whether the subrecipient has new personnel or new or substantially change systems, and d. The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).

7. Establish and follow a process for deciding whether to implement specific conditions in subawards based on risk factors, as described in 2 CFR 200.208, and notify EPA of the specific conditions as required by 2 CFR 200.332(d). Examples of specific conditions, per 2 CFR 200.208, may include: a. Requiring payments as reimbursements rather than advance payments; b. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance;  c. Requiring additional or more detailed financial reports; d. Requiring additional or project monitoring; e. Requiring the recipient or subrecipient to obtain technical or management assistance; or f. Establishing additional prior approvals.

8. Establish and follow a system for monitoring subrecipient performance that includes the elements required at 2 CFR 200.332(e), such as reviewing financial and performance reports, and report the results of the monitoring in performance reports as provided in the reporting terms and conditions of this agreement.

9. Ensure that a subrecipient provides a plan for and takes corrective action on all significant developments that negatively affect the subaward. Per 2 CFR 200.332(e)(2), significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions that will impact their ability to meet the milestones or objectives of the subaward.

10. Establish and maintain an accounting system which ensures compliance with the $50,000 limitation at 2 CFR 200.1, Modified Total Direct Costs, if applicable, on including subaward costs in Modified Total Direct Costs for the purposes of distributing indirect costs. Recipients with Federally approved indirect cost rates that use a different basis for distributing indirect costs to subawards must comply with their Indirect Cost Rate Agreement.

11. Work with EPA's Project Officer to obtain the written consent of EPA's Office of International and Tribal Affairs (OITA) prior to awarding a subaward to a foreign or international organization or a subaward to be performed in a foreign country, even if that subaward is described in a proposed scope of work.

12. Obtain prior written approval from the EPA's Award Official for any subawards or subaward activities that are not described in the approved work plan in accordance with 2 CFR 200.308. As provided in 2 CFR 200.308(f)(6), recipients must obtain prior approval to change a named subrecipient from the EPA Award Official if the pass-through entity described the original subrecipient's qualifications and/or performance history in the competitive application. Recipients must contact their Project Officer to begin the prior approval process.

13. Obtain prior written approval from the EPA's Award Official before awarding a subaward to an individual if the EPA-approved scope of work does not include a description of subawards to individuals.

14. Establish and follow written procedures under 2 CFR 200.302(b)(7) for determining that subaward costs are allowable in accordance with 2 CFR Part 200, Subpart E and the terms and conditions of this award. These procedures may provide for allowability determinations on a pre-award basis, through ongoing monitoring of costs that subrecipients incur, or a combination of both approaches provided the pass-through entity documents its determinations.

15. Verify that the subrecipient is audited, as applicable, per 2 CFR part 200, Subpart F, and establish and maintain a system under 2 CFR 200.332(g) and 2 CFR 200.521 for issuing management decisions for audits of subrecipients that relate to the Federal award from the recipient. The recipient remains accountable to EPA for ensuring that unallowable subaward costs initially paid by EPA are either reimbursed or offset with allowable costs, regardless of whether the recipient recovers those costs from the subrecipient.

16. As provided in 2 CFR 200.333, pass-through entities must obtain EPA approval to make fixed amount subawards. Recipients should consult with their EPA Project Officer regarding how to obtain EPA approval.

By accepting this award, the recipient is certifying that it either has systems in place to comply with the requirements described in Items 1 through 16 above or will refrain from making subawards until the systems are designed and implemented.

**R. Attorney General Certification**

With each capitalization grant application, the State's Attorney General, or someone designated by the Attorney General, must sign or concur in a certification that: the State legislation establishing the SRF and the powers it confers are consistent with State law, and that the State may legally bind itself to the terms of the capitalization grant agreement. The State is required to submit the Attorney General certification prior to drawing any federal funds from this capitalization grant.