

Climate Pollution Reduction Grant

Memorandum of Agreement between the City of Flagstaff, Coconino County, and the City of Sedona

This Memorandum of Agreement (this “MOA”) is entered into this ____ day of June 2024, by and between the City of Flagstaff (the “City” or “Flagstaff”), an Arizona municipal corporation, and Coconino County (“County”), a political subdivision of the State of Arizona, and the City of Sedona (“Sedona”), an Arizona municipal corporation. Flagstaff, County, and Sedona are each a “Party” and collectively the “Parties” to this MOA.

The purpose of this MOA is to establish the roles, responsibilities and commitments of the Parties as related to the implementation of the Northern Arizona Biomass Innovation Hub (NABI Hub) project if funded through the Environmental Protection Agency (“EPA”) Climate Pollution Reduction Grant (“CPRG”) program.

I. Overview:

Flagstaff, County, and Sedona have shared goals to reduce greenhouse gas emissions and mitigate risks from regional sources of organic waste, including overstocked forests, wastewater biosolids, and residential food and yard waste, which are collectively referred to as liability biomass. The Parties formed a coalition to develop a project to address liability biomass in northern Arizona, known as the Northern Arizona Biomass Innovation Hub (NABI Hub), and Flagstaff, as the Lead Applicant and fiduciary agent, submitted the proposal for funding through the EPA CPRG program on March 29, 2024. By partnering together, the Parties hope to combine their efforts to spearhead new strategies for and remove obstacles to reducing emissions from liability biomass while spurring and catalyzing a new circular economy that supports both community resilience and underserved residents in northern Arizona.

EPA anticipates releasing notice of funding selection in July 2024, with an estimated project start date for awards of October 1, 2024. The period of performance is up to five years from the project start date.

II. Operating Model for the Coalition:

The proposed NABI Hub is a replicable hub and spoke model that will reduce carbon emissions as it addresses the region’s longstanding liability biomass challenges. If awarded, the Parties will establish an operating model to guide the implementation of the grant, which may include any or all the following aspects.

A. Coalition Steering Committee:

- i. Composed of representative(s) from each Party, the Coalition Steering Committee will meet at determined regular intervals (e.g., monthly or quarterly) and be responsible for strategic direction, oversight, and major

decision-making.

B. Project Manager:

- i. An individual hired by the City of Flagstaff to be responsible for day-to-day operations, implementation of the grant, and serve as liaison between the Coalition Steering Committee and operational teams.

C. Working Groups:

- i. Comprise of subject matter experts from the Parties and/or partner organizations and/or technical advisors focusing on specific initiatives (e.g., advanced pyrolysis of forest liability biomass, residential compost, wastewater biosolids treatment). The Working Groups will meet at determined regular intervals to coordinate grant activities and share information.

III. Benefits of Collaboration and Partnerships:

Flagstaff, County, and Sedona have a longstanding relationship and a strong history of collaboration. The NABI Hub project addresses complex and urgent challenges for the region; these challenges necessitate collaboration and partnerships. The NABI coalition strategically aligns each agency to maximize their strengths, technical expertise, jurisdictional authority, existing relationships (political and community), and public services. The coalition is designed to reduce risk and capitalize on opportunity and innovation.

IV. Roles, Responsibilities, and Resources:

If awarded, and assuming the Parties receive the full funding requested in the application, each Party will fulfill the following roles and responsibilities, in alignment with overall project goals, objectives, and target outputs, to ensure the success of the NABI Hub project. If Flagstaff's or either subrecipient's respective funding amounts are reduced for any reason, the Parties will collaborate to agree upon a scaled-back list of roles and responsibilities based on the available funding and grant requirements.

A. City of Flagstaff Roles and Responsibilities

- i. Provide project management and communications throughout the grant performance period, including facilitating Coalition meetings.
- ii. Provide financial management and oversight of the grant and disburse subaward funding to subrecipients consistent with the grant's terms and conditions and in accordance with local, state, and federal rules and regulations.
- iii. Establish two advanced pyrolysis facilities; one to process forest waste and one to process City of Flagstaff wastewater biosolids.
- iv. Establish a compost facility to process residential food scraps and yard waste, implement a residential compost collection system, and pilot electric refuse trucks.
- v. Coordinate a demonstration wood vault project.
- vi. Provide a subaward to partner(s) to launch a Marketing Innovation Challenge to grow markets for biochar and compost products.

- vii. Provide a subaward to partner(s) to expand regional technical training to operate advanced pyrolysis and composting technologies.
- viii. Provide a subaward to partner(s) to conduct market and economic analysis to evaluate biomass processing strategies.
- ix. Provide a subaward to university research team(s) to analyze composition of biochar produced and the effects of biochar amendments on the landscape.
- x. Contract performance monitoring for greenhouse gas (GHG) and criteria air pollutants (CAP) reductions, development of Implementation Monitoring Plan, and semi-annual and final reports.
- xi. Lead compliance and reporting activities.

B. Coconino County Roles and Responsibilities

- i. Designate representative(s) to actively participate in Coalition meetings.
- ii. Receive federal funding as a grant subrecipient, where the City of Flagstaff serves as the pass-through entity.
- iii. Establish three wood banks to distribute free firewood to community members in need.
- iv. Complete wood stove retrofits for low-income households.
- v. Pilot a yard waste collection program for County residents to compost this material.
- vi. Promote the Marketing Innovation Challenge to help grow markets for biochar and compost products.
- vii. Fully participate in data collection and grant reporting requirements.

C. City of Sedona Roles and Responsibilities

- i. Designate representative(s) to actively participate in Coalition meetings.
- ii. Receive federal funding as a grant subrecipient, where the City of Flagstaff serves as the pass-through entity.
- iii. Expand the Community Compost Program to serve a greater number of households in Sedona.
- iv. Promote the Marketing Innovation Challenge to help grow markets for biochar and compost products.
- v. Participate as a learning partner in the wastewater biosolids project.
- vi. Fully participate in data collection and grant reporting requirements.

Collectively, the above commitments advance the goals and objectives of the CPRG program by achieving significant greenhouse gas reductions by 2030 and beyond, stimulating a decarbonized circular economy, benefitting communities in northern Arizona with a focus on serving low-income and disadvantaged households, and developing innovative solutions to liability biomass challenges that can be scaled up and replicated across the Intermountain West.

The responsibilities outlined above for each Party will require certain resources that may include project management, staff time, staff expertise, technical analysis, facilitation, and other related services.

V. Accountability:

As directed by the EPA Guidelines for Memorandum of Agreement for a Coalition, the City of Flagstaff, as the Lead Applicant, will be accountable to EPA and accepts full responsibility for effectively carrying out the full scope of work and the proper financial management of the grant if the NABI Hub project is awarded through the EPA CPRG program. Coconino County and City of Sedona, as Coalition Members who are grant subrecipients, will be accountable to the City of Flagstaff for proper use of EPA funding and successful project implementation.

VI. General Terms:

- A. Nothing in this MOA constitutes a waiver of any laws, regulations, codes, or other authority to which the Parties may be subject.
- B. Each Party shall be responsible for its own obligations under this MOA, including any costs it incurs in pursuing actions hereunder.
- C. The terms of this MOA will be governed by the laws of the State of Arizona, without regard to conflict of law principles.

Hereby executed as of the date first stated above by the duly authorized representatives of each Party.

Coconino County

By: _____

Signature: _____

Date: _____

City of Sedona

By: _____

Signature: _____

Date: _____

City of Flagstaff

By: _____

Signature: _____

Date: _____