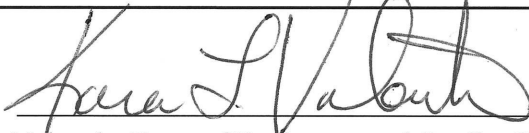


Nebraska Diesel Emissions Mitigation Program
Volkswagen Diesel Emissions Environmental Mitigation Trust for States
Semiannual Report

| | |
|-------------------------|--|
| Beneficiary | Nebraska |
| Lead Agency | Nebraska Department of Environmental Quality |
| Reporting Period | August 2018 - January 2019 |

| Summary of All Costs | | | | | | | |
|----------------------|--------------------------|------------------------|----------------------|------------------------|----------------------|------------------------------|------------------------|
| Funding Request | Purpose | VW Mitigation Funds | | Recipient Match Funds | | Total Project Costs Budgeted | Total Funds Expended |
| | | Budgeted | Expended | Budgeted | Expended | | |
| VWT2018-01 | 2017 DERA Program | \$ 287,242.70 | \$ 271,042.70 | \$ 676,128.22 | \$ 677,426.48 | \$ 994,402.29 | \$ 950,578.54 |
| VWT2018-02 | 2018 School Bus Rebates | \$ 1,891,527.00 | \$ 320,707.75 | \$ 2,526,044.10 | \$ 301,350.50 | \$ 4,417,571.00 | \$ 622,058.25 |
| VWT2018-03 | 2018 Transit Bus Rebates | \$ 1,255,206.00 | \$ 10,940.93 | \$ 2,235,165.00 | \$ 0.00 | \$ 3,490,371.00 | \$ 10,940.93 |
| TOTAL | | \$ 3,433,975.70 | \$ 602,691.38 | \$ 5,437,337.32 | \$ 978,776.98 | \$ 8,902,344.29 | \$ 1,583,577.72 |

Program details on following pages. DERA Program quarterly reports for July-September 2018 and October-December 2018 attached.

| | | |
|--|--|---------------------------|
| <p>The information in this report is true and correct and submission is made under penalty of perjury.</p> |  Nebraska Dept. of Environmental Quality Signature Kara L. Valentine | <p>Feb. 26, 2019</p> Date |
|--|--|---------------------------|

Nebraska Diesel Emissions Mitigation Program
Semiannual Report, August 2018 - January 2019

| | |
|------------------------|-------------------|
| Funding Request | VWT2018-01 |
| Purpose | 2017 DERA Program |
| Type | Advance |

| | |
|----------------------------------|--------------|
| Amount | \$287,242.70 |
| Received | 8/28/2018 |
| Expected Termination Date | 4/30/2019 |

2017 DERA PROGRAM: Application period 10/1/2017 – 2/15/2018. Projects to scrap and replace diesel vehicles and equipment; those funded through VW Trust Funds described and listed below. All projects to be completed by 3/31/2019. No modifications have been made to this Eligible Mitigation Action.

Summary of All Costs

| Recipient | VW Mitigation Funds | | Recipient Match Funds | | Total Project Costs Budgeted | Total Funds Expended | Status / Notes |
|---|---------------------|---------------------|-----------------------|---------------------|------------------------------|----------------------|---|
| | Budgeted | Expended | Budgeted | Expended | | | |
| DERA DIESEL IRRIGATION ENGINE REPLACEMENTS: Replacement by each recipient of one diesel irrigation engine with all-electric equipment. 60% rebate, maximum rebate \$16,200. | | | | | | | |
| Phillips, Mike | \$16,200.00 | \$16,200.00 | \$16,271.51 | \$16,271.51 | \$32,471.51 | \$32,471.51 | Completed |
| Schultz, Frederick T. | \$10,424.62 | \$12,252.54 | \$6,949.76 | \$8,168.37 | \$20,420.91 | \$20,420.91 | Completed |
| Fuchtmann, Robert | \$16,200.00 | \$16,200.00 | \$17,561.00 | \$17,561.00 | \$33,761.00 | \$33,761.00 | Completed |
| Cockerill Fertilizer | \$16,200.00 | \$0.00 | \$27,623.75 | \$0.00 | \$43,823.75 | \$0.00 | Pending; Completion expected by 3/31/2019 |
| DERA DIESEL REFUSE TRUCK REPLACEMENTS: Replacement older diesel refuse trucks by new diesel or low-NOx compressed natural gas (CNG)-fueled trucks. Diesel replacement: 25% rebate, maximum rebate \$70,000. Low NOx CNG replacement: 35% rebate, maximum rebate \$105,000. | | | | | | | |
| S2 Rolloffs | \$128,718.08 | \$128,000.00 | \$386,154.20 | \$397,906.00 | \$525,905.52 | \$525,905.52 | Completed; 2 diesel trucks |
| Waste Connections of Nebraska dba Papillion Sanitation | \$70,000.00 | \$70,000.00 | \$221,568.00 | \$237,519.60 | \$308,519.60 | \$308,519.60 | Completed; 1 diesel truck |
| Administrative Costs | \$29,500.00 | \$28,390.16 | | | \$29,500.00 | \$29,500.00 | |
| TOTAL COSTS | \$287,242.70 | \$271,042.70 | \$676,128.22 | \$677,426.48 | \$994,402.29 | \$950,578.54 | |

**Nebraska Diesel Emissions Mitigation Program
Semiannual Report, August 2018 - January 2019**

| | |
|------------------------|--------------------------------|
| Funding Request | VWT2018-02 |
| Purpose | 2018 School Bus Rebate Program |
| Type | Advance |

| | |
|----------------------------------|----------------|
| Amount | \$1,891,527.00 |
| Received | 11/21/2018 |
| Expected Termination Date | 9/31/2019 |

2018 SCHOOL BUS REBATE PROGRAM: Application period 6/1/2018 - 8/3/2018. Each selected school district scraps and replaces one diesel school bus (2009 engine model year or older). Diesel replacement: 50% rebate, maximum rebate \$42,000. Low-NOx propane replacement: 60% rebate, maximum rebate \$57,000. Projects to be completed by August 30, 2019. Rebate agreements have been signed by all parties with the exception of two districts that have chosen not to proceed. No other modifications have been made to this Eligible Mitigation Action.

| Summary of All Costs | | | | | | | |
|---------------------------------------|------------------------|----------------------|------------------------|----------------------|------------------------------|----------------------|----------------|
| Recipient | VW Mitigation Funds | | Recipient Match Funds | | Total Project Costs Budgeted | Total Funds Expended | Status / Notes |
| | Budgeted | Expended | Budgeted | Expended | | | |
| Alma Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 50,599.00 | \$ 0.00 | \$ 92,599.00 | \$ 0.00 | Pending |
| Anselmo-Merna Public School | \$ 42,000.00 | \$ 0.00 | \$ 63,405.00 | \$ 0.00 | \$ 105,405.00 | \$ 0.00 | Pending |
| Bayard Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 47,100.00 | \$ 0.00 | \$ 89,100.00 | \$ 0.00 | Pending |
| Beatrice Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 52,900.00 | \$ 0.00 | \$ 94,900.00 | \$ 0.00 | Pending |
| Bellevue Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 73,890.00 | \$ 0.00 | \$ 115,890.00 | \$ 0.00 | Pending |
| Bertrand Public Schools | \$ 42,000.00 | \$ 42,000.00 | \$ 46,799.00 | \$ 47,999.00 | \$ 88,799.00 | \$ 89,999.00 | Completed |
| Blair Community Schools | \$ 42,000.00 | \$ 0.00 | \$ 55,859.00 | \$ 0.00 | \$ 97,859.00 | \$ 0.00 | Pending |
| Brady Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 75,350.00 | \$ 0.00 | \$ 117,350.00 | \$ 0.00 | Pending |
| Bridgeport Public Schools | \$ 39,225.00 | \$ 0.00 | \$ 39,225.00 | \$ 0.00 | \$ 78,450.00 | \$ 0.00 | Pending |
| Centennial Public School | \$ 54,684.00 | \$ 0.00 | \$ 36,456.00 | \$ 0.00 | \$ 91,140.00 | \$ 0.00 | Pending |
| Cozad Community Schools | \$ 42,000.00 | \$ 0.00 | \$ 76,400.00 | \$ 0.00 | \$ 118,400.00 | \$ 0.00 | Pending |
| Elkhorn Valley Schools | \$ 42,000.00 | \$ 0.00 | \$ 44,878.00 | \$ 0.00 | \$ 86,878.00 | \$ 0.00 | Pending |
| Elm Creek Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 46,345.00 | \$ 0.00 | \$ 88,345.00 | \$ 0.00 | Pending |
| Fillmore Central Schools | \$ 42,000.00 | \$ 0.00 | \$ 44,859.00 | \$ 0.00 | \$ 86,859.00 | \$ 0.00 | Pending |
| Fort Calhoun Community Schools | \$ 42,000.00 | \$ 42,000.00 | \$ 43,200.00 | \$ 43,200.00 | \$ 85,200.00 | \$ 85,200.00 | Completed |
| Fremont Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 47,245.00 | \$ 0.00 | \$ 89,245.00 | \$ 0.00 | Pending |
| Giltner Public Schools | \$ 42,000.00 | \$ 42,000.00 | \$ 46,250.00 | \$ 44,599.00 | \$ 88,250.00 | \$ 86,599.00 | Completed |
| Gordon-Rushville Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 52,920.00 | \$ 0.00 | \$ 94,920.00 | \$ 0.00 | Pending |
| Hampton Public School | \$ 42,000.00 | \$ 0.00 | \$ 114,900.00 | \$ 0.00 | \$ 156,900.00 | \$ 0.00 | Pending |
| Hartington-Newcastle Public Schools | \$ 40,437.50 | \$ 0.00 | \$ 40,437.50 | \$ 0.00 | \$ 80,875.00 | \$ 0.00 | Pending |
| Hastings Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 121,350.00 | \$ 0.00 | \$ 163,350.00 | \$ 0.00 | Withdrawn |
| Heartland Schools | \$ 40,619.50 | \$ 0.00 | \$ 40,619.50 | \$ 0.00 | \$ 81,239.00 | \$ 0.00 | Pending |
| HTRS Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 42,670.00 | \$ 0.00 | \$ 84,670.00 | \$ 0.00 | Pending |
| Kearney Public Schools | \$ 57,000.00 | \$ 0.00 | \$ 69,850.00 | \$ 0.00 | \$ 126,850.00 | \$ 0.00 | Pending |
| Lewiston Consolidated Schools | \$ 42,000.00 | \$ 0.00 | \$ 44,500.00 | \$ 0.00 | \$ 86,500.00 | \$ 0.00 | Pending |
| Lexington Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 65,850.00 | \$ 0.00 | \$ 107,850.00 | \$ 0.00 | Pending |
| Loomis Public Schools | \$ 55,890.00 | \$ 0.00 | \$ 37,260.00 | \$ 0.00 | \$ 93,150.00 | \$ 0.00 | Pending |
| Louisville Public School District #32 | \$ 41,743.00 | \$ 0.00 | \$ 41,742.00 | \$ 0.00 | \$ 83,485.00 | \$ 0.00 | Pending |
| Neligh-Oakdale Public Schools | \$ 41,742.50 | \$ 41,742.50 | \$ 41,742.50 | \$ 41,742.50 | \$ 83,485.00 | \$ 83,485.00 | Completed |
| North Bend Central Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 43,000.00 | \$ 0.00 | \$ 85,000.00 | \$ 0.00 | Pending |
| Ogallala Public Schools | \$ 42,000.00 | \$ 41,125.00 | \$ 42,250.00 | \$ 41,125.00 | \$ 84,250.00 | \$ 82,250.00 | Completed |
| Osmond Community Schools | \$ 41,896.00 | \$ 0.00 | \$ 41,896.00 | \$ 0.00 | \$ 83,792.00 | \$ 0.00 | Pending |
| Overton Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 42,980.00 | \$ 0.00 | \$ 84,980.00 | \$ 0.00 | Pending |
| Paxton Consolidated Schools | \$ 39,605.00 | \$ 0.00 | \$ 39,605.00 | \$ 0.00 | \$ 79,210.00 | \$ 0.00 | Pending |
| Ravenna Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 50,850.00 | \$ 0.00 | \$ 92,850.00 | \$ 0.00 | Pending |
| Seward School District | \$ 41,510.00 | \$ 41,510.00 | \$ 41,510.00 | \$ 41,510.00 | \$ 83,020.00 | \$ 83,020.00 | Completed |
| South Sioux City Community Schools | \$ 42,000.00 | \$ 0.00 | \$ 396,600.00 | \$ 0.00 | \$ 438,600.00 | \$ 0.00 | Withdrawn |
| Stanton Community Schools | \$ 41,575.00 | \$ 41,175.00 | \$ 41,575.00 | \$ 41,175.00 | \$ 83,150.00 | \$ 82,350.00 | Completed |
| Stapleton Public Schools | \$ 47,819.40 | \$ 0.00 | \$ 31,879.60 | \$ 0.00 | \$ 79,699.00 | \$ 0.00 | Pending |
| Tri County Public Schools | \$ 41,707.00 | \$ 0.00 | \$ 41,707.00 | \$ 0.00 | \$ 83,414.00 | \$ 0.00 | Pending |
| Wallace School District | \$ 42,000.00 | \$ 0.00 | \$ 43,840.00 | \$ 0.00 | \$ 85,840.00 | \$ 0.00 | Pending |
| York Public Schools | \$ 42,000.00 | \$ 0.00 | \$ 63,750.00 | \$ 0.00 | \$ 105,750.00 | \$ 0.00 | Pending |
| Administrative Costs | \$ 90,073.00 | \$ 29,155.25 | | | \$ 90,073.00 | \$ 29,155.25 | |
| TOTAL COSTS | \$ 1,891,526.90 | \$ 320,707.75 | \$ 2,526,044.10 | \$ 301,350.50 | \$ 4,417,571.00 | \$ 622,058.25 | |

**Nebraska Diesel Emissions Mitigation Program
Semiannual Report, August 2018 - January 2019**

| | |
|------------------------|---------------------------------|
| Funding Request | VWT2018-03 |
| Purpose | 2018 Transit Bus Rebate Program |
| Type | Advance |

| | |
|----------------------------------|----------------|
| Amount | \$1,255,206.00 |
| Received | 11/28/2018 |
| Expected Termination Date | 12/31/2019 |

2018 TRANSIT BUS REBATE PROGRAM: Application period 5/23/2018 to 6/8/2018. Each selected transit agency scraps and replaces two diesel transit buses (2009 engine model year or older). NDEQ reimburses up to 50% of the cost for each replacement bus up to the following limits: Lincoln StarTran, \$489,934 total reimbursement; Omaha Metro, \$734,901 total reimbursement. Projects to be completed by December 31, 2019. Agreements have been signed by both transit agencies. The project deadlines have been extended from the initial deadline of August 30, 2019 due to manufacturing delays. No other modifications have been made to this Eligible Mitigation Action.

| Summary of All Costs | | | | | | | |
|----------------------|------------------------|---------------------|------------------------|---------------|------------------------------|----------------------|----------------|
| Recipient | VW Mitigation Funds | | Recipient Match Funds | | Total Project Costs Budgeted | Total Funds Expended | Status / Notes |
| | Budgeted | Expended | Budgeted | Expended | | | |
| Omaha Metro | \$ 734,901.00 | \$0.00 | \$ 1,015,099.00 | \$0.00 | \$ 1,750,000.00 | \$0.00 | Pending |
| Lincoln StarTran | \$ 489,934.00 | \$0.00 | \$ 1,220,066.00 | \$0.00 | \$ 1,710,000.00 | \$0.00 | Pending |
| Administrative Costs | \$ 30,371.00 | \$ 10,940.93 | | | \$ 30,371.00 | \$ 10,940.93 | |
| TOTAL COSTS | \$ 1,255,206.00 | \$ 10,940.93 | \$ 2,235,165.00 | \$0.00 | \$ 3,490,371.00 | \$ 10,940.93 | |

**U. S. Environmental Protection Agency
State Clean Diesel Grant Program - Quarterly Report**

| | |
|-------------------------|--|
| Grant Recipient | Nebraska Dept. of Environmental Quality |
| Grant # | DS-97761101 |
| Reporting Period | Jul. 1 - Sep. 30, 2018 |

Instructions: Complete all relevant fields in this worksheet and use the other

| WORKPLAN BUDGET | FY17 | FY18 |
|---------------------------------------|----------------|----------------|
| Total EPA Funds Awarded | \$342,301.00 | \$411,884.00 |
| Total Mandatory Cost-Share | \$962,000.00 | \$1,301,664.00 |
| Total Voluntary Matching Funds | \$228,226.00 | \$490,000.00 |
| Total Project Costs | \$1,532,527.00 | \$2,203,548.00 |

Table 1. Rate of Expenditure. Record all funds expended for each budget category.

| | Federal Funds Expended this Reporting Period | Mandatory Cost-Share Expended this Reporting Period | Voluntary Match Expended this Reporting Period | | Cumulative Federal Funds Expended | Cumulative Mandatory Cost-Share Expended | Cumulative Voluntary Match Expended | |
|---|--|---|--|---------------|-----------------------------------|--|-------------------------------------|---------------|
| | | | Mitigation Funds | Other Funds | | | Mitigation Funds | Other Funds |
| Personnel | \$6,629.85 | | | | \$14,090.54 | | | |
| Fringe Benefits | \$3,254.54 | | | | \$5,998.62 | | | |
| Travel | \$130.96 | | | | \$130.96 | | | |
| Equipment | | | | | | | | |
| Supplies | | | | | \$113.44 | | | |
| Contractual | | | | | | | | |
| Subawards | | | | | | | | |
| Participant Support Costs (e.g., Rebates) | \$94,283.50 | \$663,906.09 | \$160,400.00 | | \$146,066.00 | \$787,273.59 | \$160,400.00 | |
| Other | \$1.65 | | | | \$1.65 | | | |
| Indirect Charges | \$3,787.21 | | | | \$8,009.51 | | | |
| TOTALS | \$108,087.71 | \$663,906.09 | \$160,400.00 | \$0.00 | \$174,410.72 | \$787,273.59 | \$160,400.00 | \$0.00 |

Table 2. Narrative Responses

| Question | Answer |
|---|--|
| What actual accomplishments occurred during the reporting period? | During this quarter NDEQ received advance funding from the <i>Volkswagen Environmental Trust for State Beneficiaries</i> in the amount of \$287,242.70 for DERA 2017 projects. Two reimbursement requests for school bus replacement rebates were approved and paid, and one request approved in the previous quarter was paid. One reimbursement request for a refuse truck replacement rebate (2 trucks replaced) was received, approved, and paid using VW funds. Four reimbursement requests for irrigation engine replacement rebates were received, approved, and paid. Two of these were paid from federal funds and two from VW voluntary state match funds. One additional irrigation engine reimbursement request was received near the end of the quarter by not yet paid at quarter's end. |
| Did you award any rebates or subawards during the reporting period? If so, list the recipients and how much funding they received. | <u>School Bus Rebates approved and/or paid (3):</u> Ainsworth Public Schools: \$20,475; Bishop Neumann Catholic HS: \$20,408.50; Boone Central Public Schools: \$21,000.00 <u>Refuse Truck Rebate approved and paid (1):</u> S2 Rolloffs: \$128,000.00 <u>Irrigation Engine Rebates approved and paid (4):</u> James Riley: \$16,200.00; Robert Fuchtmann: \$16,200.00; Jack Thies: \$16,200.00; Mike Phillips: \$16,200.00 |
| Provide a comparison of actual accomplishments with the anticipated outputs/outcomes and timelines/milestones specified in the project Work Plan. | Because of uncertainties arising from the late finalization of the Volkswagen Environmental Trust Agreement (September 6, 2017), NDEQ delayed the announcement of the 2017 Clean Diesel Program and reset the timeline milestones accordingly. September 1, 2017: NDEQ posts program information and application materials on the agency website and begins outreach to the target sectors. Actual Date: October 6, 2017. October 1, 2017: NDEQ begins accepting rebate applications. Actual Date: October 6, 2017. October 2017: Public meeting on irrigation engine replacement program in cooperation with a participating Natural Resource District. Actual Date: Information on the DERA program was included in public meetings on the Volkswagen Trust held in October in Lincoln and North Platte. Because the target Natural Resource District, which covers an EPA priority county, did not respond to NDEQ inquiries, no public meeting was held specifically targeting irrigation engine replacement rebates. November 3, 2017: Deadline for submission of rebate applications to NDEQ. Actual Date: December 15, 2017. Applications for school bus rebates closed on that date, but the deadline was later extended to February 15, 2017 for refuse truck and irrigation engine rebate applications. November 3-14, 2017: Review of rebate applications and selection of rebate recipients. Actual Date: Applications were reviewed as received. The first set of rebate recipients were selected on December 16, 2017. November 14, 2017: Notification of rebate recipients. Actual Date: The first set of rebate recipients were notified on December 18, 2017. November 27-30, 2017: Contracts mailed to rebate recipients. Public notification of rebate projects posted on NDEQ website. Actual Date: Preparation of contracts for the first set of projects took place in January 2018. Contracts for remaining projects were finalized in March and early April 2018, and the list of rebate recipients was published on the NDEQ website in March 2018. January – August 2018: Monitoring of rebate recipients for project progress, and issuance of rebates as projects are completed. Actual Date: Ten out of fourteen projects are complete. Project monitoring is ongoing. August 15, 2018: Deadline for recipients to complete their project and submit complete reimbursement request with documentation of scrapage. Actual Date: As indicated below, four projects will not be completed until after this deadline |
| If anticipated outputs/outcomes and/or timelines/milestones are not met, why not? Did you encounter any problems during the reporting period which may interfere with meeting the project objectives? | The diesel irrigation engine replacement/electrification projects require trenching through fields to supply power to the replacement site. Because of the late application period, one rebate recipient was not able to begin line extension before planting, and will need to complete the project after fall harvest (after October 1, 2018). Scrapage and paperwork submission for another irrigation engine project have been delayed due to a serious accident suffered by the farmer. In addition, two refuse truck projects will not be able to receive a replacement truck until after NDEQ's August 15 project completion deadline due to factory backlogs. |
| How do you propose to remedy any problems? Identify how and the date you will get back on course to meet the anticipated outputs/outcomes and/or timelines/milestones specified in the project work plan. | Because of the project delays noted above, NDEQ requested, and EPA Region 7 approved, an extension of the 2017 DERA Grant project period to March 31, 2019. NDEQ has provided extended project agreements to the four parties with outstanding projects. In addition, with the opening of the 2018 Clean Diesel State Grant program, EPA extended the completion date for all 2017 projects to September 30, 2019. NDEQ anticipates that all 2017 projects will be completed before December 31, 2018. |
| If any cost-shares are reported for this Reporting Period in Table 1 above, identify the source of the funds. | Mandatory cost-share funds were provided by the following rebate recipients for their projects: Ainsworth Public Schools, \$61,425.00; Bishop Neumann Catholic High School, \$61,225.50; Boone Central Public Schools, \$78,730.00 S2 Rolloffs, \$397,906.00 James Riley, \$16,807.57; Robert Fuchtmann, \$17,561.00; Jack Thies, \$13,979.51; Mike Phillips, \$16,271.51. |

| | |
|---|--|
| <p>Was any program income generated during the reporting period? Identify amount of program income, how it was generated, and how the program income was/will be used.</p> | <p>Total program income for the quarter was \$3,557.60. Income from salvage of material from a scrapped bus, refuse truck, and diesel irrigation engine was used by rebate recipients to defray a portion of their mandatory cost-share: Bishop Neumann Catholic High School (school bus): \$1,407.60 S2 Rolloffs (refuse trucks): \$2000.00 James Riley (diesel engine): \$150.00</p> |
| <p>Did any public relations events regarding this grant take place during the reporting period?</p> | <p>No public relations events took place during the current quarter.</p> |
| <p>What is the URL for the state website listing the total number and dollar amount of subawards, rebates, or loans provided, as well as a breakdown of the technologies funded? Please also list any other state websites used for outreach related to the State DERA Grant Program.</p> | <p>http://deg.ne.gov/NDEQProg.nsf/OnWeb/NCDGP</p> |
| <p>What project activities are planned for the next reporting period?</p> | <p>NDEQ will continue to monitor the progress of 2017 projects and will make reimbursements as projects are completed. We expect all 2017 projects will be completed by the end of December 2018. The application period for 2018 DERA projects opens on or about 1 October 2018. NDEQ will conduct outreach to public power districts and Natural Resource Districts in Nebraska to solicit applications for diesel irrigation engine replacements, and to waste haulers for refuse truck replacements.</p> |

| Table 3. Subaward Reporting Requirements | |
|--|----------|
| Requirement | Response |
| <p>Summaries of results of reviews of financial and programmatic reports</p> | |
| <p>Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance</p> | |
| <p>Environmental results the subrecipient achieved</p> | |
| <p>Summaries of audit findings and related pass-through entity management decisions</p> | |
| <p>Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.207 and the 2 CFR 200.338 Remedies for Noncompliance</p> | |

**U. S. Environmental Protection Agency
State Clean Diesel Grant Program - Quarterly Report**

| | |
|-------------------------|--|
| Grant Recipient | Nebraska Dept. of Environmental Quality |
| Grant # | DS-97761101 |
| Reporting Period | Oct. 1 - Dec. 31, 2018 |

Instructions: Complete all relevant fields in this worksheet and use the other

| WORKPLAN BUDGET | FY17 | FY18 |
|---------------------------------------|----------------|----------------|
| Total EPA Funds Awarded | \$342,301.00 | \$411,884.00 |
| Total Mandatory Cost-Share | \$962,000.00 | \$1,301,664.00 |
| Total Voluntary Matching Funds | \$228,226.00 | \$490,000.00 |
| Total Project Costs | \$1,532,527.00 | \$2,203,548.00 |

Table 1. Rate of Expenditure. Record all funds expended for each budget category.

| | Federal Funds Expended this Reporting Period | Mandatory Cost-Share Expended this Reporting Period | Voluntary Match Expended this Reporting Period | | Cumulative Federal Funds Expended | Cumulative Mandatory Cost-Share Expended | Cumulative Voluntary Match Expended | |
|---|--|---|--|---------------|-----------------------------------|--|-------------------------------------|---------------|
| | | | Mitigation Funds | Other Funds | | | Mitigation Funds | Other Funds |
| Personnel | \$2,518.24 | | \$1,597.60 | | \$16,608.78 | | \$1,597.60 | |
| Fringe Benefits | \$3,801.62 | | \$127.17 | | \$9,800.24 | | \$127.17 | |
| Travel | | | | | | | | |
| Equipment | | | | | | | | |
| Supplies | | | | | | | | |
| Contractual | | | | | | | | |
| Subawards | | | | | | | | |
| Participant Support Costs (e.g., Rebates) | \$70,000.00 | \$485,207.57 | \$82,252.54 | | \$216,066.00 | \$1,272,481.16 | \$242,652.54 | |
| Other | | | | | | | | |
| Indirect Charges | \$3,774.68 | | \$96.25 | | | | \$96.25 | |
| TOTALS | \$80,094.54 | \$485,207.57 | \$84,073.56 | \$0.00 | \$242,475.02 | \$1,272,481.16 | \$244,473.56 | \$0.00 |

Table 2. Narrative Responses

| Question | Answer |
|---|---|
| What actual accomplishments occurred during the reporting period? | During this quarter NDEQ continued administering projects from the 2017 grant year, making 2 rebate payments (see below), and opened application periods for 2018 Refuse Truck Rebates and Diesel Irrigation Engine Rebates. Three applications were received and approved for 2018 Refuse Truck Rebate projects. Sixteen applications were received for diesel irrigation engine replacement projects, and fifteen were eligible and approved. |
| Did you award any rebates or subawards during the reporting period? If so, list the recipients and how much funding they received. | <u>2017 Refuse Truck Rebate approved and paid (1):</u> Waste Connections of Nebraska, \$140,000.00 <u>2017 Irrigation Engine Rebates approved and paid (1):</u> Frederick Schultz, \$12,252.54 |
| Provide a comparison of actual accomplishments with the anticipated outputs/outcomes and timelines/milestones specified in the project Work Plan. | 2017 Grant Year January – August 2018: Monitoring of rebate recipients for project progress, and issuance of rebates as projects are completed. Actual Date: Twelve out of fourteen projects are complete by 31 December 2018. Project monitoring is ongoing. 2018 Grant Year September 7, 2018: NDEQ posts program information and application materials on the agency website and begins outreach to the target sectors. Actual Date: September 27, 2018. October 1, 2018: NDEQ begins accepting rebate applications. Actual Date: October 1, 2018. December 7, 2018: Deadline for submission of rebate applications to NDEQ. Actual Date: December 14, 2018. The application period for irrigation engine rebates will reopen in January 2019 with a revised deadline of February 22, 2019. December 10-14, 2018: Review of rebate applications and selection of rebate recipients. Actual Date: Applications were reviewed as received, and NDEQ continued to work with applicants to supply missing information throughout December. December 14, 2018: Notification of rebate recipients. Actual Date: December 18 and continuing into January as applications were completed. |
| If anticipated outputs/outcomes and/or timelines/milestones are not met, why not? Did you encounter any problems during the reporting period which may interfere with meeting the project objectives? | The diesel irrigation engine replacement/electrification projects require trenching through fields to supply power to the replacement site. Because of the late 2017 application period, one 2017 rebate recipient was not able to begin line extension before planting, and will need to complete the project after fall harvest (after October 1, 2018). This project remains incomplete at the end of this quarter. Another irrigation engine project that was delayed due to a medical issue has been completed during this quarter. Two 2017 refuse truck projects were incomplete at the start of this quarter due to manufacturing delays. One of these projects was completed and payment made during this quarter. The reimbursement request for the remaining project was received in December, and payment will be made at the beginning of the next quarter. Applicant response has been lower than expected for the 2018 Refuse Truck Rebate and 2018 Irrigation Engine Rebate programs, so current expected rebate expenditures do not meet NDEQ's workplan commitments. |
| How do you propose to remedy any problems? Identify how and the date you will get back on course to meet the anticipated outputs/outcomes and/or timelines/milestones specified in the project work plan. | Because of the project delays noted above, NDEQ requested, and EPA Region 7 approved, an extension of the 2017 DERA Grant project period to March 31, 2019. NDEQ has provided extended project agreements to the two remaining parties with outstanding projects. In addition, with the opening of the 2018 Clean Diesel State Grant program, EPA extended the completion date for all 2017 projects to September 30, 2019. The application period for Irrigation Engine Rebates will be reopened to solicit additional projects to utilize available funds. NDEQ is exploring soliciting applications for other DERA project types as well. |
| If any cost-shares are reported for this Reporting Period in Table 1 above, identify the source of the funds. | Mandatory cost-share funds were provided by the following rebate recipients for their projects: Waste Connections of Nebraska (Papillion Sanitation): \$477,039.20 Frederick Schultz: \$8,168.37 |
| Was any program income generated during the reporting period? Identify amount of program income, how it was generated, and how the program income was/will be used. | No program income was reported during the quarter. |
| Did any public relations events regarding this grant take place during the reporting period? | NDEQ issued a press release announcing the opening of the 2018 rebate programs; this announcement was carried by many small-town newspapers in the state. E-mails and letters were sent to Nebraska Natural Resource Districts and the many public utilities in the state to announce the Irrigation Engine Rebate program. E-mails and letters were also sent to municipal landfills and waste associations to announce the Refuse Truck Rebate program. In November NDEQ staff gave a short presentation on the irrigation engine rebates at an energy efficiency workshop for rural electric utilities. |

| | |
|---|--|
| <p>What is the URL for the state website listing the total number and dollar amount of subawards, rebates, or loans provided, as well as a breakdown of the technologies funded? Please also list any other state websites used for outreach related to the State DERA Grant Program.</p> | <p>http://deq.ne.gov/NDEQProg.nsf/OnWeb/NCDGP</p> |
| <p>What project activities are planned for the next reporting period?</p> | <p>NDEQ will continue to monitor the progress of the final 2017 project and will make reimbursement when the project is completed. We expect all 2017 projects will be completed by the end of March 2019. NDEQ will secure project agreements with current approved 2018 project applicants and provide commence work notices when agreements are received. The application period for irrigation engine rebates is being reopened to secure additional projects to utilize available funds. NDEQ is exploring offering other available project types as well to utilize committed voluntary match funds.</p> |

| <p>Table 3. Subaward Reporting Requirements</p> | |
|--|------------------------|
| <p>Requirement</p> | <p>Response</p> |
| <p>Summaries of results of reviews of financial and programmatic reports</p> | |
| <p>Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance</p> | |
| <p>Environmental results the subrecipient achieved</p> | |
| <p>Summaries of audit findings and related pass-through entity management decisions</p> | |
| <p>Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.207 and the 2 CFR 200.338 Remedies for Noncompliance</p> | |