



Missouri Department of dnr.mo.gov

# NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

DEC 3 1 2018

Mr. Russell L. Crane  
Volkswagen Environmental Mitigation Trust  
c/o Wilmington Trust, N.A. as Trustee  
1100 North Market Street  
Attn: Capital Markets & Agency Services  
Wilmington, DE 19890

Dear Mr. Crane,

The Missouri Department of Natural Resources has enclosed Missouri's third funding request through the Volkswagen Environmental Mitigation Trust (Project ID: Cat 3-EMA2 FY19-001). The department previously sent the enclosed D-4 submission electronically through Intralinks. The enclosure is to fulfill the requirement of a hard copy as required by paragraph 5.2 of the Trust Agreement.

Thank you for attention to this matter. If you have any questions regarding this submission, please contact Emily Wilbur, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 751-7840 or email at [emily.wilbur@dnr.mo.gov](mailto:emily.wilbur@dnr.mo.gov).

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Darcy A. Bybee  
Director

DAB:cm

Enclosure

**APPENDIX D-4**  
**Beneficiary Eligible Mitigation Action Certification**

Missouri Funding Request #3

Project ID: Cat 3-EMA2 FY19-001

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Missouri

Lead Agency Authorized to Act on Behalf of the Beneficiary Missouri Department of Natural Resources  
*(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)*

<b>Action Title:</b>	Transit/Shuttle Bus Award Category – FY2019
<b>Beneficiary's Project ID:</b>	Cat 3-EMA2 FY19-001
<b>Funding Request No.</b>	3
<b>Request Type:</b> (select one or more)	<input type="checkbox"/> Reimbursement <span style="float: right;"><input checked="" type="checkbox"/> Advance</span> <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to:</b> (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
<b>Funding Request &amp; Direction</b> (Attachment A)	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

### SUMMARY

<b>Eligible Mitigation Action Type</b>	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Item 2: Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)</u> <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____				
<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b>					
<p>Missouri's BMP allocates \$4 million to transit/shuttle bus repowers and replacements. Missouri's plan also acknowledges and complies with the state's legislative appropriations process. Missouri's BMP says that in state fiscal year 2019, the department will facilitate a payment up to \$1 million in VW Trust Funds to the Missouri Department of Corrections (DOC) to implement eligible mitigation actions pursuant to the VW Trust agreement. The mitigation action DOC is implementing through this funding request falls under Missouri's Award Category 3, Transit and Shuttle Buses, thus pursuant to the BMP this funding request will count towards the total funding amount dedicated to this award category in the BMP.</p>					
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b>					
<p>Diesel-to-diesel replacements reduce NO<sub>x</sub> emissions and have a co-benefit of reducing particulate matter. This project supports the upgrading of the state-owned fleet. This project will reduce local diesel emissions exposure, while also decreasing regionally transported NO<sub>x</sub> pollution that contributes to the formation of ground-level ozone pollution.</p>					
<b>Estimate of Anticipated NO<sub>x</sub> Reductions (5.2.3):</b>					
Missouri has used the EPA's Diesel Emissions Quantifier to calculate the emission reductions this project will achieve. The results are below.					
Project Summary	Total VW Trust Funds Requested (\$)	Lifetime NO <sub>x</sub> Reductions (tons)	Lifetime PM <sub>2.5</sub> Reductions (tons)	Lifetime HC Reductions (tons)	Lifetime CO Reductions (tons)
Missouri DOC Bus Replacement (1 bus)	\$114,100	0.708	0.003	0.018	0.072
<b>Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):</b>					
Missouri Department of Natural Resources					
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b>					
<p>The Missouri Department of Natural Resources, as lead agency for the state of Missouri implementing the Environmental Mitigation Plan, has established a webpage on the VW Trust and mitigation actions, <a href="https://dnr.mo.gov/env/apcp/vw">https://dnr.mo.gov/env/apcp/vw</a>.</p>					
<b>Describe any cost share requirement to be placed on each NO<sub>x</sub> source proposed to be mitigated (5.2.8).</b>					
<p>No cost share requirement will be placed on the DOC for implementation of the eligible mitigation action included in this funding request. As allowed by the VW Trust, beneficiaries may use VW Trust funds to cover up to 100 percent of the cost of a replacement for a government-owned bus.</p>					
<b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b>					
<p>On February 28, 2018, the Department notified the Department of Interior, including the National Park Service and U.S. Fish and Wildlife Service, and the Department of Agriculture, including the Forest Service of the availability of VW funds for locations within Missouri. The Department did not receive notice from any other federal agency indicating interest in these funds.</p>					
<b>If applicable, describe how the mitigation action will mitigate the impacts of NO<sub>x</sub> emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).</b>					
<p>The bus DOC is replacing through this funding request operates on highways including high traffic areas along with numerous other mobile emission sources, meaning these areas bear a disproportionate share of the air pollution burden.</p>					

**ATTACHMENTS**

**(CHECK BOX IF ATTACHED)**

- |                                     |                     |   |
|-------------------------------------|---------------------|---|
| <input checked="" type="checkbox"/> | <b>Attachment A</b> | <b>Funding Request and Direction.</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment B</b> | <b>Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment C</b> | <b>Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment D</b> | <b>Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]</b> |
| <input type="checkbox"/>            | <b>Attachment E</b> | <b>DERA Option (5.2.12). [Attach only if using DERA option.]</b>  |
| <input type="checkbox"/>            | <b>Attachment F</b> | <b>Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]</b> |



**CERTIFICATIONS**

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary State of Missouri , and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)
5. Beneficiary will maintain and make publicly available all documentation submitted in support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

  
[SIGNATURE]

DEC 3 1 2018

\_\_\_\_\_  
[DATE]

**DARCY BYBEE**  
[NAME]

**AIR POLLUTION CONTROL  
PROGRAM DIRECTOR**  
[TITLE]

**MISSOURI DEPARTMENT OF  
NATURAL RESOURCES**  
[LEAD AGENCY]

For

**STATE OF MISSOURI**  
[BENEFICIARY]

## ATTACHMENT B

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #3  
Project ID: Cat 3-EMA2 FY19-001

### Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline

#### PROJECT MANAGEMENT PLAN

#### PROJECT SCHEDULE AND MILESTONES

Milestone	Date
DOC places purchase order for new bus	December 2018
DNR Submits D-4	January 2019
DOC accepts delivery of new bus and submits invoice to DNR	May 2019
DNR provides payment to DOC and DOC provides payment to bus vendor	May 2019
DOC scraps the old bus per the requirements of the Trust	May-June 2019
DNR reports to Trustee on status of and expenditures with mitigation actions completed and underway	Within 6 months of first disbursement; Jan. 30 and July 30 thereafter

#### PROJECT BUDGET

Period of Performance: <u>July 2018 – June 2019</u>			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Project Sponsors)
1. Equipment Expenditure	\$114,100	\$114,100	\$0
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0
4. Administrative <sup>1</sup>	\$0	\$0	\$0
<b>Project Totals</b>	<b>\$114,100</b>	<b>\$114,100</b>	<b>\$0</b>
<b>Percentage</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

<sup>1</sup> Subject to Appendix D-2 15% administrative cap.

**Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #3**  
**Project ID: Cat 3-EMA2 FY19-001**

**PROJECTED TRUST ALLOCATIONS**

	<b>FY 2019</b> (July 2018-June 2019)	<b>FY 2020</b>	<b>FY 2021-28</b>
1. Anticipated Annual Project Funding Requests to be paid through Trust	\$ 7,471,938	\$ 14,723,117	\$ 18,956,996
2. Anticipated Annual Cost Share	\$ 9,494,667	\$ 18,708,813	\$ 24,088,846
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 16,966,605	\$ 33,431,930	\$ 43,045,842
4. Cumulative Trustee Payments made to Date Against Cumulative Approved Beneficiary Allocation	\$ -	\$ 7,471,938	\$ 22,195,055
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 7,471,938	\$ 14,723,117	\$ 18,956,996
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 7,471,938	\$ 22,195,055	\$ 41,152,051
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 41,152,051	\$ 33,680,113	\$ -
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$ 33,680,113	\$ 11,485,058	\$ -

## ATTACHMENT C

### Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

Records of the applicant, selected projects, and financial reports will be made available on the department VW webpage in the form of a report to coincide with reporting requirements listed in the trust. Records may also be obtained through the state sunshine request portal.



**ATTACHMENT D**

**Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6)**

**Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #3**

Project ID: Cat 3-EMA2 FY19-001

The Missouri Department of Corrections received a quote from their selected vendor for the new bus they will purchase as part of the eligible mitigation action implemented through this funding request. The quote for the new bus is \$114,100.