

Missouri Department of dnr.mo.gov

# NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

APR 11 2019

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 twentieth funding request through the Volkswagen Environmental Mitigation Trust (Project ID: Cat 6-EMA8 FY20-001). 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



Recycled paper

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

Missouri Funding Request #20

Project ID: Cat 6-EMA8 FY20-001

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

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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>                                  | Forklifts and Port Cargo Handling Equipment – FY2020  |
| <b>Beneficiary's Project ID:</b>                      | Cat 6-EMA8 FY20-001   |
| <b>Funding Request No.</b>                            | 20  |
| <b>Request Type: (select one or more)</b>             | <input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance<br><input type="checkbox"/> Other (specify): _____ |
| <b>Payment to be made to: (select one or more)</b>    | <input checked="" type="checkbox"/> Beneficiary<br><input type="checkbox"/> Other (specify): _____                                    |
| <b>Funding Request &amp; Direction (Attachment A)</b> | <input type="checkbox"/> Attached to this Certification<br><input checked="" type="checkbox"/> To be Provided Separately              |

### SUMMARY

|  |  |
|--|--|
| <b>Eligible Mitigation Action Type</b>   | <input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Item 8: Forklifts and Port Cargo Handling Equipment</u><br><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><br>Missouri's BMP allocates \$2 million to projects for all-electric airport ground support equipment and port cargo handling equipment, which include eligible mitigation action (EMA) categories 7 and 8. This funding request will fund forklift and port cargo handling equipment projects under EMA category 8 throughout the state. The project will reduce NO <sub>x</sub> emissions and reduce gasoline and diesel fuel consumption which are both specific goals listed in Missouri's BMP.   |  |
| <b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b><br>All-electric repowers and replacements for forklifts and port cargo handling equipment reduce NO <sub>x</sub> emissions and have a co-benefit of reducing particulate matter. 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. Encouraging all-electric upgrades for this type of equipment will reduce operation and maintenance costs thus increasing the fleet owner's sustainability and encouraging more investment in these types of projects in the future.   |  |
| <b>Estimate of Anticipated NO<sub>x</sub> Reductions (5.2.3):</b><br>Per Missouri's BMP, the department estimates that the \$2 million dedicated to all-electric repowers and replacements for airport ground support equipment and port cargo handling equipment will achieve an estimated 100-150 tons of lifetime NO <sub>x</sub> emission reductions. This funding request represents approximately 50 percent of the total funding Missouri has dedicated to these types of projects. Based on this percentage, the projects funded through this funding request will achieve an estimated 50-75 tons of lifetime NO <sub>x</sub> emission reductions. The department will calculate the emission reductions from each individual project implemented based on the characteristics of the actual equipment repowered or replaced and include the calculated emission reductions in the semi-annual reports the department will submit to the trustee. |  |
| <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><br>Missouri Department of Natural Resources   |  |
| <b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b><br>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> .  |  |
| <b>Describe any cost share requirement to be placed on each NO<sub>x</sub> source proposed to be mitigated (5.2.8).</b><br>The minimum cost share to be covered by government-owned fleets under this funding request will be twenty-five percent of the actual cost of the mitigation action. The minimum cost share to be covered by private fleets under this funding request will be fifty percent of the actual cost of the mitigation action. Some fleet owners may cover more than these minimum amounts.   |  |
| <b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b><br>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.   |  |
| <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><br>Cargo handling equipment is often located near ports, rail yards, other distribution terminals, and urban cores that bear a disproportionate amount of the air pollution burden. These projects will help reduce emissions in these areas with higher concentrations of NO <sub>x</sub> emissions.   |  |

**ATTACHMENTS**


**(CHECK BOX IF ATTACHED)**

- Attachment A**      **Funding Request and Direction.**
- Attachment B**      **Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).**
- Attachment C**      **Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**
- Attachment D**      **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.]**
- Attachment E**      **DERA Option (5.2.12). [Attach only if using DERA option.]**
- Attachment F**      **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.]**

**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]

APR 11 2019  
[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 #20  
Project ID: Cat 6-EMA8 FY20-001

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

#### PROJECT MANAGEMENT PLAN

##### PROJECT SCHEDULE AND MILESTONES

| Milestone   | Date                          |
|---|-------------------------------|
| DNR provides notice of availability of mitigation action funds  | Aug/Sept 2019                 |
| Due date for project sponsors to submit proposals to lead agency  | Oct/Nov, 2019                 |
| DNR provides approval of successful project sponsors' proposals   | Dec 2019/Jan 2020             |
| Project sponsors complete procurement and submit purchase orders  | Project approval + 1 month    |
| DNR submits attachment A to cover annual admin and project awards   | Project approval +1 month     |
| Trustee provides funds to DNR as requested in the attachment A  | Project approval +1.5 months  |
| Forklifts and part cargo handling equipment delivered to project sponsors   | Project approval + 3 months   |
| Project sponsors submit evidence of scrapping, invoices, proof of payment, and other documents required for reimbursement | Project approval + 3.5 months |
| DNR reviews, requests corrections if necessary, certifies project completion, and provides reimbursement                  | Project approval + 4 months   |
| DNR reports to Trustee on status of and expenditures with mitigation actions completed and underway                       | Jan. 31 and July 31 each year |

This process will repeat again next state fiscal year (July 2020-June 2021).

##### PROJECT BUDGET

| Period of Performance: <u>July 2019 – June 2021</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  | \$1,920,000           | \$960,000                                       | \$960,000                                    |
| 2. Contractor Support<br><i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>                       | \$0                   | \$0   | \$0  |
| 3. Subrecipient Support<br><i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i> | \$0                   | \$0   | \$0  |
| 4. Administrative <sup>1</sup>  | \$40,000              | \$40,000  | \$0  |
| <b>Project Totals</b>   | <b>\$1,960,000</b>    | <b>\$1,000,000</b>                              | <b>\$960,000</b>                             |
| <b>Percentage</b>   | <b>100%</b>           | <b>51.0%</b>                                    | <b>49.0%</b>                                 |

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

**Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #20**  
**Project ID: Cat 6-EMA8 FY20-001**

**PROJECTED TRUST ALLOCATIONS**

|  | <b>FY 2019</b><br>(July 2018-June 2019) | <b>FY 2020</b> | <b>FY 2021-28</b> |
|--|---|----------------|-------------------|
| 1. Anticipated Annual Project Funding Requests to be paid through Trust  | \$ 7,348,201                            | \$ 14,723,117  | \$ 19,080,733     |
| 2. Anticipated Annual Cost Share   | \$ 9,630,831                            | \$ 18,708,813  | \$ 24,088,846     |
| 3. Anticipated Total Project Funding by Year (line 1 plus line 2)  | \$ 16,979,032                           | \$ 33,431,930  | \$ 43,169,579     |
| 4. Cumulative Trustee Payments made to Date Against Cumulative Approved Beneficiary Allocation                   | \$ -                                    | \$ 7,348,201   | \$ 22,071,318     |
| 5. Current Beneficiary Project Funding to be paid through the Trust (line 1)                                     | \$ 7,348,201                            | \$ 14,723,117  | \$ 19,080,733     |
| 6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)              | \$ 7,348,201                            | \$ 22,071,318  | \$ 41,152,051     |
| 7. Beneficiary Share of Estimated Funds Remaining in Trust   | \$ 41,152,051                           | \$ 33,803,850  | \$ -              |
| 8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5) | \$ 33,803,850                           | \$ 19,080,733  | \$ -              |

## **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 #20**

Project IDs: Cat 6-EMA8 FY20-001

Forklifts and Port Cargo Handling Equipment Replacement Projects

| Equipment Type                        | All-Electric<br>Estimated Replacement Cost |
|---------------------------------------|--|
| Forklifts (+7,000 lbs. lift capacity) | \$30,000 – \$80,000                        |
| Yard Tractors/Trucks                  | \$250,000 – \$400,000                      |
| Gantry Crane                          | \$10,000 - \$50,000                        |
| Straddle Carrier                      | \$15,000 - \$50,000                        |

The department reviewed cost estimates for electric forklifts and electric port cargo handling equipment. The actual cost of any piece of equipment varies based on several factors, including size, functionality, etc.