

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 twelfth funding request through the Volkswagen Environmental Mitigation Trust (Project ID: Cat 1-EMA2 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.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Darcy A. Bybee
Director

DAB:cm

Enclosure

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

Missouri Funding Request #12

Project ID: Cat 1-EMA2 FY20-001

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)

Action Title:	School Bus Award Category – FY2020
Beneficiary’s Project ID:	Cat 1-EMA2 FY20-001
Funding Request No.	12
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action Type	<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):
Explanation of how funding request fits into Beneficiary’s Mitigation Plan (5.2.1):	<p>Missouri’s BMP allocates \$12 million to school bus replacements. This funding request will fund school bus replacements throughout the state. The project will reduce NO_x emissions and help upgrade the state’s school bus fleet. The main benefactors of the project will be school-aged children.</p>
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	<p>School bus replacements reduce NO_x emissions. School buses operate five days a week in highly populated areas. Newer buses are safer, more fuel-efficient, require less maintenance, and are over 90 percent cleaner than older school buses. Cleaner school bus emissions mean significantly less acute exposure to concentrated diesel emissions for students and drivers.</p>
Estimate of Anticipated NO_x Reductions (5.2.3):	<p>Per Missouri’s BMP, the department estimates that the \$12 million dedicated to school bus projects will achieve an estimated 80-120 tons of lifetime NO_x emission reductions. This funding request represents approximately 45 percent of the total funding Missouri has dedicated to school buses. Based on this percentage, the projects funded through this funding request will achieve an estimated 36-54 tons of lifetime NO_x emission reductions. The department will calculate the emission reductions from each individual project implemented based on the characteristics of the actual buses replaced and include the calculated emission reductions in the semi-annual reports the department will submit to the trustee.</p>
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):	<p>Missouri Department of Natural Resources</p>
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	<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, https://dnr.mo.gov/env/apcp/vw.</p>
Describe any cost share requirement to be placed on each NO_x source proposed to be mitigated (5.2.8).	<p>For most projects that receive funds through this funding request, the minimum cost share to be covered by the fleet owners will be in the range of twenty-five to fifty percent of the actual cost of the mitigation action. However, some fleet owners may cover more than this minimum amount, and some fleets that meet certain financial criteria may receive funds to cover up to 100 percent of the cost of the mitigation action.</p>
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	<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 federal agency indicating interest in these funds.</p>
If applicable, describe how the mitigation action will mitigate the impacts of NO_x emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).	<p>All of the projects will benefit school-aged children, which are a sensitive population. As a sensitive population, children bear an increased share of the air pollution burden. In addition, some projects may be targeted specifically at school districts that qualify as financially disadvantaged.</p>

ATTACHMENTS

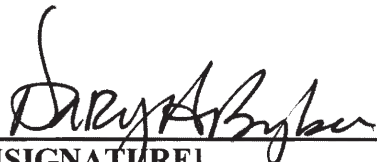
(CHECK BOX IF ATTACHED)

- 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 #12
Project ID: Cat 1-EMA2 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
Buses delivered to project sponsors	Project approval + 3 months
Project sponsors submit evidence of vehicle 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 each state fiscal year (July-June) until all funds from this D-4 request are spent.

PROJECT BUDGET

Period of Performance: July 2019 – June 2022			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Project Sponsors)
1. Equipment Expenditure	\$10,780,000	\$5,390,000	\$5,390,000
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 ¹	\$110,000	\$110,000	\$0
Project Totals	\$10,890,000	\$5,500,000	\$5,390,000
Percentage	100%	50.5%	49.5%

¹ Subject to Appendix D-2 15% administrative cap.

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #12
Project ID: Cat 1-EMA2 FY20-001

PROJECTED TRUST ALLOCATIONS

	FY 2019 (July 2018-June 2019)	FY 2020	FY 2021-28
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 #12

Project ID: Cat 1-EMA2 FY20-001

School Bus Replacement Projects

Bus Style	Diesel	Propane	Compressed Natural Gas	Electric
Type A	\$60,000 - \$85,000	\$65,000 - \$95,000	\$75,000 - \$105,000	\$225,000 - \$260,000
Type B	NA	NA	NA	NA
Type C	\$88,000 - \$120,000	\$100,000 - \$130,000	\$110,000 - \$150,000	\$325,000 - \$360,000
Type D	\$100,000 - \$140,000	NA	NA	\$365,000 - \$420,000

The department reviewed invoices for school bus purchases that schools have made in recent funding opportunity programs the department administered. School buses are classified by type that reflects passenger capacity and body style. The type of fuel that powers the engine also affects the price of the bus.