

Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

JUL 29 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 the information necessary to complete the semi-annual reporting requirement found in paragraph 5.3 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries. The department has collected the data relevant to reporting requirements during the time period from the beginning of the dispersion of Trust funds to the date of the first semi-annual report.

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 [REDACTED].

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Darcy A. Bybee
Director

DAB:lbc

Enclosure

Environmental Mitigation Trust Agreement for State Beneficiaries:
Semi-Annual Report

Reporting Period:
Feb. 19, 2019 through June 30, 2019

Submitted on July 30, 2019
Missouri Department of Natural Resources

Category 1: Class 4-8 School Buses: EMA 2

Category 1 was divided into two separate divisions. A 25% cost share (up to \$22,000) division was open for all entities with a school bus that fit the eligibility requirements. A 100% cost share (up to \$100,000) division was open to school districts that were deemed “Financially Disadvantaged.” The eligibility requirements for a financially disadvantaged district can be found in appendix A of this document.

Due to bus delivery wait times, it is anticipated that all projects in Category 1 will be complete by December 2019. Completion of a project implies that the new bus has been delivered, the old bus has been disabled and proof of payment is verified.

Category 2: Government Owned Medium and Large Trucks: EMA 6, EMA 1

Category 2 projects were selected for funding using a points system. Applications were ranked using a scale that compared NO_x reduction, cost effectiveness, and location. The highest scoring projects were selected for funding from three fund pools: St. Louis, Kansas City, and Rest of State. These projects were paid by June 2019 and are expected to be complete by December 2019. Completion of a project implies that the new truck has been delivered, the old truck has been disabled, and proof of payment is verified.

Category 3: Transit and Shuttle Buses: EMA 2

Category 3 projects were selected for funding using a points system. Applications were ranked using a scale that compared NO_x reduction, cost effectiveness, and location. The highest scoring projects were selected for funding from three fund pools: St. Louis, Kansas City, and Rest of State. These projects were paid by June 2019. The final project in Category 3 is expected to be complete in December 2019. The purchase order was submitted in June and delivery is expected by the end November. Completion of a project implies that the new bus has been delivered, the old bus has been disabled, and proof of payment is verified.

Category 7: DERA Option: EMA 10

Category 7 is a 25% cost share category that funded the applications of four school districts that each applied for three buses. The Category 7 requirements were identical to the 25% cost share of Category 1.

It is anticipated that Category 7 projects will be complete by the end of August 2019. The final open project has a disabling deadline of July 30, 2019. This allows time for the proper documentation to be submitted following the disabling deadline. Completion of a project implies that the new bus has been delivered, the old bus has been disabled, and proof of payment is verified.

Individual project information can be found on the DNR website in the Volkswagen Trust page. The link to the webpage is <https://dnr.mo.gov/env/apcp/vw/projects/index.html>.

School Buses: Category 1, Category 7		Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Average Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
Total:		78	All	134	70.2	0.52	\$4,981,752.75	\$37,177.26	\$70,965.14	\$12,317,825.00	\$91,924.07
Category 1	25% Cost Share Replacement	45	Diesel	87	56.0	0.65	\$1,876,674.00	\$21,570.97	\$33,512.04	\$7,915,027.00	\$90,977.32
	25% Cost Share Replacement	1	Propane	7	3.3	0.47	\$149,650.00	\$21,378.57	\$45,348.48	\$610,581.00	\$87,225.86
	100% Cost Share Replacement	28	Diesel	28	10.2	0.36	\$2,696,288.00	\$96,296.00	\$264,341.96	\$2,733,700.00	\$97,632.14
Category 7	25% Cost Share Replacement	4	Diesel	12	0.7	0.06	\$259,140.75	\$21,595.06	\$370,201.07	\$1,058,517.00	\$88,209.75

Category 2: Government Owned Trucks (Class 4-8)		Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Average Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
February 13, 2019:		7	Diesel	10	18.9	1.89	\$563,091.90	\$56,309.19	\$29,793.22	\$1,229,215.98	\$122,921.60
Medium (Class 4-7)	50% Cost Share Replacement	3	Diesel	3	4.6	1.53	\$144,300.00	\$48,100.00	\$31,369.57	\$388,925.00	129,641.67
Large (Class 8)	50% Cost Share Replacement	4	Diesel	7	14.3	2.04	\$418,791.90	\$59,827.42	\$29,286.15	\$840,290.98	\$120,041.57

Category 3: Transit Buses, Shuttle Buses		Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Average Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
Total:		1	Electric	4	15.0	3.76	\$392,000.00	\$98,000.00	\$26,133.33	\$1,960,000.00	\$490,000.00
50% Cost Share Replacement		1	Electric	4	15.0	3.76	\$392,000.00	\$98,000.00	\$26,133.33	\$1,960,000.00	\$490,000.00

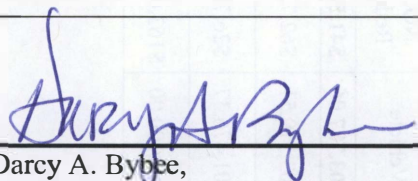
Department of Corrections (Categories 2 and 3)		Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Average Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
Total*:		1	Diesel	9	22.5	2.50	\$934,083.51	\$103,787.06	\$41,514.82	\$934,083.51	\$103,787.06
<u>Category 2</u>	Medium (Class 4-7)	-	Diesel	4	6.6	1.65	\$414,078.04	\$103,519.51	\$62,739.10	\$414,078.04	\$103,519.51
	Large (Class 8)	-	Diesel	4	15.2	3.80	\$405,905.47	\$101,476.37	\$26,704.31	\$405,905.47	\$101,476.37
<u>Category 3</u>	Transit and Shuttle Bus	-	Diesel	1	0.7	0.71	\$114,100.00	\$114,100.00	\$163,000.00	\$114,100.00	\$114,100.00

*Information based on original D-4s. Corrected reporting found in Appendix B.

Eligible Mitigation Actions	Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
Total:	87	All	157	126.6	0.81	\$6,870,928.16	\$43,763.87	\$54,272.73	\$16,441,124.49	\$104,720.54
EMA 1	5	Diesel	11	29.5	2.68	\$824,697.37	\$74,972.49	\$27,955.84	\$1,246,196.45	\$113,290.59
EMA 2	79	Diesel CNG Electric	127	85.2	0.67	\$5,228,712.00	\$41,170.96	\$61,369.86	\$13,333,408.00	\$104,987.46
EMA 6	4	Diesel	7	11.2	1.6	\$558,378.04	\$79,768.29	\$49,855.91	\$803,003.04	\$114,714.72
EMA 10	4	Diesel	12	0.7	0.06	\$259,140.75	\$21,595.06	\$370,201.07	\$1,058,517.00	\$88,209.75

<u>Eligible Mitigation Action</u>	<u>Administrative Costs</u>
EMA 1:	\$11,849.14
EMA 2:	\$46,023.18
EMA 6:	\$5,544.61
EMA 10:	\$0.00
Total:	\$63,416.93

This information is true and correct and the submission is made under penalty of perjury.


Darcy A. Bybee,
Air Pollution Control Program Director

Appendix A.

Financially Disadvantaged School Districts

For the purposes of this award category, the Department developed a list of 29 school districts that qualify as financially disadvantaged. These 29 school districts were eligible to apply under this application type where VW Trust funds covered nearly 100 percent of the cost of a new school bus. This ensured that some of the school districts with the most need were able to benefit from Missouri’s VW Trust program that otherwise may not be able to apply for a bus replacement under the DERA option or the school bus award category due to cost share requirements.

The Department used a combination of financial and school bus fleet criteria to develop the list of the 29 school districts qualifying under this category. The data the Department used to develop the list included June 30, 2017, financial criteria from the Missouri Department of Elementary and Secondary Education and the 2018 Missouri State Highway Patrol school bus inspection data. The Department first determined that any school district would qualify if the school district had less than \$100,000,000 in assessed valuation, owned at least one bus of vehicle model year 2001 or older, and then met at least two of the five additional criteria:

1. Sixty percent or more of district-owned buses were 2004 vehicle model year or older
2. Either the school district average for free and reduced meal participation was 80 percent or more, or at least one school building in the district participated in the Community Eligibility Provision.
3. The expenditure per average daily attendance was \$8,000 or less
4. The total assessed valuation for the district was \$20 million or less
5. The total assessed valuation per average daily attendance for the district was \$40,000 or less

Appendix B.

Department of Corrections (Categories 2 and 3)		Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Average NO _x tons per Vehicle	Funding Awarded	Average Award per Vehicle	Average Award per NO _x ton Reduced	Total Project Cost	Average Cost per Vehicle
Total:		1	Diesel	9	22.5	2.50	\$934,083.51	\$103,787.06	\$41,514.82	\$934,083.51	\$103,787.06
Category 2	Medium (Class 4-7)	-	Diesel	1	1.5	1.55	\$96,360.05	\$96,360.05	\$64,240.03	\$96,360.05	\$96,360.05
	Large (Class 8)	-	Diesel	7	20.3	2.90	\$723,623.46	\$103,374.78	\$35,646.48	\$723,623.46	\$103,374.78
Category 3	Transit and Shuttle Bus	-	Diesel	1	0.7	0.71	\$114,100.00	\$114,100.00	\$163,000.00	\$114,100.00	\$114,100.00

This is the corrected reporting from Department of Corrections. Three large trucks were mislabeled as medium because the gross vehicle weights were reported in kilograms rather than pounds. The Department of Natural Resources will revise the D-4 to reflect the values shown in this table.