

January 31, 2020

Volkswagen Environmental Mitigation Trust
C/O Wilmington Trust
Attn: Russel Crane
1100 North Market Street
Wilmington, DE 19890

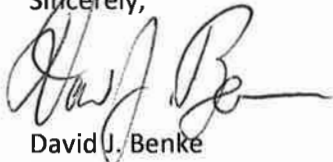
Dear Mr. Crane:

Attached to this letter is Minnesota's third "Report to the Trustee." The requirements of this report are described in paragraph 5.3 of the VW Environmental Mitigation Trust.

This report covers the time from July 1, 2019 through December 31, 2019.

Please contact Rocky Sisk, of my staff, if you have any questions or concerns about this report. He can be reached at [REDACTED], or by e-mail at [REDACTED]

Sincerely,



David J. Benke
Division Director

DJB:RS:cbg

Attachment

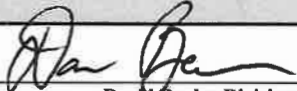
**Volkswagen Diesel Emission Environmental Mitigation Trust for States
Semi-annual Report**

Beneficiary	Minnesota
Lead Agency	Minnesota Pollution Control Agency
Reporting Period	July 1, 2019 - December 31, 2019

MPCA Funds	2018	2019	Total
Total VW Funds Received	\$2,350,000	\$7,401,110	\$9,751,110
Interest Earned	\$4,423	\$33,680	\$38,103
Disbursements	\$213,172	\$1,364,903	\$1,578,076
Total Cash Balance	\$2,141,251	\$6,069,887	\$8,211,138

Summary of All Costs										
Project Description	VW Mitigation Funds			Match Funds			Total Project Cost			VW Funds Received
	Obligated	Expended	Total	Obligated	Expended	Total	Obligated	Expended	Total	
Phase 1 School Bus	\$ 1,850,000	\$ 260,000	\$ 2,110,000	\$ 8,186,604	\$ 991,052	\$ 9,177,656	\$ 10,036,604	\$ 1,251,052	\$ 11,287,656	\$ 2,115,000
Phase 1 EV Fast Chargers	\$ 1,387,944		\$ 1,387,944	\$ 623,414		\$ 623,414	\$ 2,011,358	\$ -	\$ 2,011,358	\$ 1,390,500
Phase 1 DERA	\$ 238,017	\$ 523,737	\$ 761,754	\$ 5,781,223	\$ 5,129,521	\$ 10,910,744	\$ 6,019,240	\$ 5,653,258	\$ 11,672,498	\$ 792,999
Phase 1 Level 2 Chargers	\$ 178,139	\$ 15,300	\$ 193,439	\$ 95,601	\$ 25,519	\$ 121,120	\$ 273,740	\$ 40,819	\$ 314,559	\$ 195,750
Phase 2 Greater MN School Bus	\$ 580,000		\$ 580,000	\$ 2,377,614		\$ 2,377,614	\$ 2,957,614	\$ -	\$ 2,957,614	\$ 580,500
Phase 1 Heavy Duty On Road Class 8	\$ 2,228,172		\$ 2,228,172	\$ 11,751,682		\$ 11,751,682	\$ 13,979,854	\$ -	\$ 13,979,854	\$ 2,772,066
Phase 1 Heavy Duty On Road Class 4-7	\$ 677,442		\$ 677,442	\$ 3,024,472		\$ 3,024,472	\$ 3,701,914	\$ -	\$ 3,701,914	\$ 929,184
Contractor Administration	\$ 19,099		\$ 19,099	\$ 64,747		\$ 64,747	\$ 83,846	\$ -	\$ 83,846	\$ 24,603
Program Administration	\$ -	\$ 779,039	\$ 779,039			\$ -	\$ -	\$ 779,039	\$ 779,039	\$ 950,508
Totals	\$ 7,158,812	\$ 1,578,076	\$ 8,736,888	\$ 31,905,357	\$ 6,146,092	\$ 38,051,449	\$ 39,064,169	\$ 7,724,168	\$ 46,788,337	\$ 9,751,110

Project Narrative		
Project Description	Environmental Mitigation Action #	Project Status
Phase 1 School Bus	2	Funds received from Trustee 11/28/18. 21 bus replacement contracts have been signed, for a total of 111 buses from around the state. Bus owners in process of purchasing new buses and destroying old buses. As of 12/31/19, 14 buses have been destroyed and replaced with new buses. All new buses must be purchased, and old buses destroyed, by March, 2021 for this first round of school bus contracts (unless contract extensions are requested and approved by MPCA).
Phase 1 EV Fast Chargers	9	Funds received from Trustee 2/1/19. At completion, there will be 22 EV fast charging stations along 4 designated highway corridors. As of 12/31/19, all 4 contracts have been signed. The grantee is working to determine site locations along the designated corridor for the DC fast charging stations. Currently, the MPCA has approved site plans for 6 installations.
Phase 1 DERA	10	Funds received from Trustee 3/15/19. 3 contracts for a total of 16 projects are lined up, including various vehicle replacements and locomotive idling reduction. Contractees currently in process of purchasing new vehicles and destroying old vehicles. As of 12/31/19, 4 out of the 16 projects have been completed for this grant round. All projects must be completed by March 2020.
Phase 1 Level 2 Chargers	9	Funds received from Trustee 5/2. As of 12/31/19, three stations have been installed and are operational. Remaining grantees are working on site plans for MPCA approval.
Phase 2 Greater MN School Bus	2	Funds received 12/4/19. Agency currently working with grantees to finalize grants. All buses must be purchased within 2 years of signing contracts. This program will replace 32 school buses in Greater Minnesota.
Phase 1 Heavy Duty On Road Class 8	1	Funds received 12/4/19. Agency currently working with grantees to finalize grants. All vehicles must be purchased within 2 years of signing contracts. This program will replace 94 class 8 trucks throughout Minnesota.
Phase 1 Heavy Duty On Road Class 4-7	6	Funds received 12/4/19. Agency currently working with grantees to finalize grants. All vehicles must be purchased within 2 years of signing contracts. This program will replace 31 class 4-7 trucks throughout Minnesota.

Project Narrative	
Project Description	Project Status
This information is true and correct and the submission is made under penalty of perjury.	 David Benke, Division Director
	1/31/2020 Date