

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification
Minnesota Phase 1 Greater MN School Bus Grant Program

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Minnesota

Lead Agency Authorized to Act on Behalf of the Beneficiary Minnesota Pollution Control Agency (MPCA)
(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:	MN Greater MN Phase 1 School Bus Replacement Grants
Beneficiary's Project ID:	R323VA02
Funding Request No.	<i>(sequential)</i> 7
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): <u>Minnesota Pollution Control Agency</u>
Funding Request & Direction (Attachment A)	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>2 - Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Elig</u> <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):
Action Type	
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):	See Attached
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	See Attached
Estimate of Anticipated NOx Reductions (5.2.3):	See Attached
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):	See Attached
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	See Attached
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	See Attached
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	See Attached

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

See Attached

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

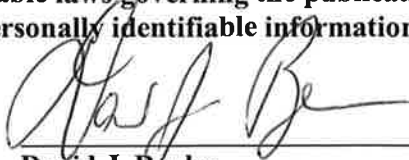
By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary Minnesota, 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)

DATED:

9/13/13



David J. Benke
Division Director

Minnesota Pollution Control Agency

[LEAD AGENCY]

for

Minnesota

[BENEFICIARY]

ATTACHMENT B
Minnesota Funding Application 7 – Phase 1 Greater MN School Bus Grant Program
PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Request for Proposals announced (Phase 1 Greater MN School Bus Replacement)	July 8, 2019
Request for Proposal Closing – Application Deadline	August 13 ,2019
MPCA selects potential grant recipients from eligible application pool	August 2019
MPCA submits Funding Request to Trustee – Appendix D-4: Beneficiary Eligible Mitigation Action Certification including Attachments	September 2019
Trustee Acknowledges Receipt of Funding Request	Receipt from Trustee
Trustee Allocates Share of State Funds	Transfer date
Grant agreements signed with selected entities	CY 2019, Q4
Grantee provides proof of destruction, invoices and other documents required for reimbursement	CY 2019, Q4 – CY 2021, Q4
MPCA reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	CY 2019, Q4 – CY 2021, Q4
MPCA Reports to the Trustee on the status of and expenditures with Mitigation Actions completed and underway.	Within 6 months of first disbursement: January 30 and July 30 thereafter

Budget Category	Total Project Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, paid by bus owners
1. Equipment Expenditure	\$2,958,114	\$580,500	\$2,377,614
2. Contractor Support (Provide List of Approved Contractors as Attachment with approved funding ceilings)	\$0	\$0	\$0
3. Sub recipient Support	\$0	\$0	\$0
4. Administrative ¹	\$64,500	\$64,500	\$0
Project Totals	\$3,022,614	\$645,000	\$2,377,614
Percentage	100%	21.3%	78.7%

PROJECT BUDGET

¹ Subject to Appendix D-2 15% administrative cap

PROJECTED TRUST ALLOCATIONS

	2018	2019
1. Anticipated Annual Project Funding Request to be paid through the Trust		\$645,000
2. Anticipated Annual Cost Share		\$2,377,614
3. Anticipated Total Project Funding by Year (line 1 plus line 2)		\$3,022,614
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$2,350,000	\$2,643,610
5. Current Outstanding Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation		\$4,112,500
6. Current Beneficiary Project Funding to be paid through the Trust (line 1)		\$645,000
7. Total Funding Approved (plus pending) for Beneficiary Eligible Mitigation Actions, inclusive of Current Action (sum of line 4, 5 and 6)	\$2,350,000	\$7,401,110
8. Beneficiary Share of Estimated Funds Remaining in Trust (Market Value of last statement date from Online Portfolio)	\$47,133,334	\$42,808,350
9. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 8 minus lines 5 and 6)	\$44,864,077	\$38,050,850

ATTACHMENT C DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The Minnesota Pollution Control Agency (MPCA) will provide detailed reporting on this Environmental Mitigation Trust project in 2 ways:

1. Timely updates to MPCA's Volkswagen (VW) Environmental Mitigation Trust webpage (www.pca.state.mn.us/vw);
2. Minnesota's semiannual reporting obligation to Wilmington Trust (the "Trustee")

MPCA maintains a VW Environmental Mitigation Trust specific webpage that has been designed to support public access and limit burden for the general public. The MPCA's VW specific webpage can be found at www.pca.state.mn.us/vw. Timely updates to the webpage will inform the general public on the projects' status as well as when these projects have been completed.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Minnesota's Reporting Obligations: "For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

MPCA shall, in the next semiannual report following the Trustee's approval of this project, describe the progress implementing this Eligible Mitigation Action that will include a summary of all costs expended on the Eligible Mitigation Action through the reporting date. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

Attachment D

DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000

School bus owners were asked to submit the total cost for each new bus in their grant application.

The total number and average cost for buses to be funded with this grant are listed below.

New Bus Fuel Type	Number of Buses	Average New Bus Cost	Total New Bus Cost
Diesel	20	\$94,022	\$1,880,447
Propane	11	\$97,970	\$1,077,667
Grand Totals	31	\$95,423	\$2,958,114

Minnesota will only be funding \$15,000 or \$20,000 of the cost for each new bus. While these individual costs do not exceed the \$25,000 expenditure limit, the overall project cost of \$645,000 does.

Appendix D-4– Supplemental Information Beneficiary Eligible Mitigation Action Certification

Beneficiary: Minnesota

Lead Agency: Minnesota Pollution Control Agency

In support of funding request no. 7

MN Phase 1 Greater MN School Bus Funding Request

Appendix D4 - Summary

Explanation of how funding request fits into Beneficiary’s Mitigation Plan (5.2.1):

A detailed description of this project is described on pages 5-10 of Minnesota’s Beneficiary Mitigation Plan as well as the plan modification submitted to trustee on March 6, 2019 (see attached). This funding request will support the diesel bus replacement program.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

This bus replacement project will permanently remove from service an expected 31 1992-2009 model year diesel school buses, and replace them with new, 2018 or 2019 model year diesel or propane school buses. This program will provide grants for the replacement of school buses up to \$15,000 each, or \$20,000 each for operators serving school districts where 40% of students are eligible for free or reduced-cost lunch.

We anticipate more than 40% of these projects will be located in areas disproportionately impacted by air pollution.

This school bus replacement grant is designed to reduce diesel exhaust exposure to young people who are particularly vulnerable to the health effects from diesel pollution. Due to higher respiration rates and continuing lung development in young people, particulate and nitrogen oxide pollution detrimentally affects lung function, development and growth.

The Minnesota Pollution Control Agency anticipates the following emissions reductions as a result of this school bus replacement project:

Pollutant	NOx	PM 2.5	GHG
Lifetime Tons of Pollution Reduced	9.7	0.6	783

Estimate of Anticipated NOx Reductions (5.2.3):

Lifetime NOx reductions will be 9.7 Tons

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):

The Minnesota Pollution Control Agency (MPCA) is responsible for all Volkswagen projects in MN.

Describe how the Beneficiary will make documentation publicly available (5.2.7.2):

- All non-private documents will be publicly available through Minnesota's public facing website: www.pca.state.mn.us/vw.

The Minnesota Government Data Practices Act (MGDPA), found in [Chapter 13 of Minnesota statutes](#), is a Minnesota state law that regulates the handling of all governmental data that are collected, created, disseminated, maintained, received and stored by a political subdivision, state agency or statewide system regardless of their physical form, how they are stored or how they are used. The Minnesota Pollution Control Agency (MPCA) is a state agency and, therefore, subject to the requirements of the MGDPA.

There is a general presumption in the MGDPA that all governmental data are public unless there is a federal law, state statute or temporary classification that allows the data to be classified as not public. Some of the not public data types that may be included within the MPCA's grant application and award documentation include, but are not limited to, business data, personal information, security information, social security numbers, trade secret information etc.

The MPCA is statutorily obligated to maintain such data types as not public and, therefore, will not provide them when requested or present them on our public facing website. The MPCA will provide requesters with notification that the not public data are not being provided and will cite the federal law, state statute or temporary classification that allows for this not public classification.

Describe any cost share requirements to be placed on each NOx source proposed to be mitigated (5.2.8):

This program is a specific grant for each eligible bus being replaced. The grant amount is either \$15,000 or \$20,000 per bus. Each bus owner is responsible for funding the remainder of the replacement cost for each bus. Our overall grant amount is approximately 25% of the cost of the new buses, according to the bus cost estimate included in the grant applications.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9):

The Minnesota Pollution Control Agency contacted all necessary US Government agencies on Monday, Feb 12, 2018 as described in 4.2.8. The MPCA received replies from National Park Service and US Forest Service on Wed, Feb 14, 2018 acknowledging receipt of all necessary documents.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10):

The MPCA is using our Environmental Justice and Department of Health mapping tools to help choose projects in areas that have historically borne a disproportionate share of the adverse impacts of NOx emissions.

ATTACHMENT



520 Lafayette Road North | St. Paul, Minnesota 55155-4194 | 651-296-6300

800-657-3864 | Use your preferred relay service | info.pca@state.mn.us | Equal Opportunity Employer

March 6, 2019

Russell L. Crane, MBA
Assistant Vice President | Wilmington Trust, N.A.
Rodney Square North, 1100 North Market Street,
Wilmington, DE 19890-0001

Dear Russell Crane:

The Minnesota Pollution Control Agency (MPCA) is the designated Lead Agency for the State of Minnesota in the Volkswagen (VW) Environmental Mitigation Trust Agreement. The Trust Agreement requires each Beneficiary of the Trust to submit a Beneficiary Mitigation Plan (Plan) that identifies funding priorities prior to requesting funds from the Trust. On April 11, 2018, the MPCA submitted a Plan that identified a ten-year, three-phased approach for allocating Minnesota's funds and outlined funding priorities for the first phase of settlement funds.

Based on the experience of our first Trust-funded request for proposals, the MPCA would like to modify our Plan to accommodate an additional school bus replacement grant.

Section 4.1 of the Environmental Mitigation Trust states: "Beneficiaries may adjust their goals and specific spending plans at their discretion and, if they do so, shall provide the Trustee with updates to their Beneficiary Mitigation Plan".

Pursuant to Section 4.1 of the Trust Agreement, the MPCA, as Minnesota's designated Lead Agency, will be adding an additional \$645,000 school bus grant program to Phase 1 of the existing Minnesota Plan. The MPCA will add this Plan adjustment to our existing VW website to keep the public fully apprised of our program spending plans. This adjustment does not impact our ten-year program goals identified in the Plan.

This letter is intended to update the Trustee on our current Plan. The MPCA intends to conduct a full review of all of our Phase 1 programs, as described in our existing Plan, and will adjust future Phases to accommodate this slight funding shift in the existing Plan. Our overall three-phase Plan structure is not changing, however, we will be shifting these funds from Phase 2 to Phase 1 of our Plan.

If you have any questions or concerns regarding this document, or the Plan modifications described in this letter, please contact Rocky Sisk of my staff at rocky.sisk@state.mn.us or at 651-757-2173.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laura Bishop', with a stylized flourish at the end.

Laura Bishop
Commissioner

LB/RS:je

cc: Christina Brown, Attorney, Minnesota Attorney General's Office
Dave Benke, Division Director, MPCA
Adonis Neblett, Legal Council, MPCA
Rick Patraw, Manager, MPCA
Rocky Sisk, State Program Administrator Coordinator, MPCA

