

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Ohio

Lead Agency Authorized to Act on Behalf of the Beneficiary Ohio Environmental Protection Agency
(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: | Class 4-7 Local Freight Trucks |
| Beneficiary's Project ID: | Class 4-7 Trucks 2018 project awards |
| Funding Request No. | <i>(sequential)</i> 5 |
| 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 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>6</u> Action Type <input checked="" 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): 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 State of Ohio, 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: 11/9/20

Laurie A. Stevenson, Director

[NAME]

[TITLE]

Ohio Environmental Protection Agency

[LEAD AGENCY]

for

State of Ohio

[BENEFICIARY]

**Beneficiary Eligible Mitigation Action Certification
Supplemental Information (Attachments A, B, C and D)
Beneficiary: State of Ohio
Lead Agency: Ohio Environmental Protection Agency
In support of Funding Request No. 5**

**ATTACHMENT A
Funding Request and Direction**

Eligible Mitigation Action Type Appendix D-2 item (specify): 1
Class 4-7 Local Freight Trucks (Medium Trucks)

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

Ohio's BMP filed May 31, 2018 allocates \$40 million to the replacement or repower of on-road diesel fleets, including specifically \$10,000,000 for class 4-8 local freight and port drayage trucks. Ohio's BMP anticipated awarding competitive grants for these trucks in each of the first three years of the program (2018-2020), based on cost effectiveness of NOx emission reductions. From applications submitted in 2018, \$227,645 was awarded for class 4-7 local freight truck replacements. These projects will replace ten class 6 and 7 (medium and heavy duty) local freight trucks operating routes in eight counties identified in Ohio's BMP as first priority and one county designated as second priority for receiving funding. The eight first priority counties had all been designated by U.S. EPA as in nonattainment of the national air quality standard for ozone, although one (Fairfield County in central Ohio) was since redesignated by US EPA in 2019 from nonattainment to maintenance of the national ozone standard. Two of the first priority counties are also in nonattainment of the federal standard for fine particulates (PM_{2.5}). Improving air quality in these nonattainment counties to meet federal air quality standards under the Clean Air Act is the overriding concern of Ohio EPA in prioritizing where funded Mitigation Actions should be located.

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

Ohio continues to emphasize the repower or replacement of aging diesel vehicles in densely populated urban areas as a major focus for expenditure. These areas have been disproportionately affected by the pollutants in diesel exhaust, including Cleveland, Columbus, and the Cincinnati-Dayton corridor.

In the competitive grant application cycle that closed August 3, 2018, Ohio EPA received 63 applications requesting \$15,904,906 for eligible large (class 8) and medium (class 4-7) truck replacement projects. Ohio EPA used US EPA's [Diesel Emission Quantifier \(DEQ\)](#) tool to select the most cost effective projects for full or partial funding to reduce emissions from eligible class 8 and class 4-7 trucks operating in Ohio's priority counties. Four projects included trucks in the Class 4-7 category. Two of the projects (Fairfield County and Lykins Energy) were in the initial group of awards announced in late 2018. Two additional projects from the 2018 applications (Madison Township Trustees and Second Harvest Food Bank) were selected in 2019 as VW match projects for Ohio's FFY 2019 allocation of in State Clean Diesel funds from US EPA under the Diesel Emission Reduction Act (DERA). A copy of Ohio's approved DERA workplan for these funds is attached. These four awards total \$227,645 to permanently remove from service 10 model year 1994-2008 eligible class 4-7 diesel trucks and replace them with 10 model 2019-

2020 new clean diesel trucks. The total annual emission reductions (in short tons) estimated for these four projects are: NO_x, 2.755; PM_{2.5}, 0.216; HC, 0.397; and CO, 0.790. DEQ estimates for annual emission reductions for each selected project are listed on the attached spreadsheet. The trucks selected for replacement are operating daily or near daily schedules in Ohio neighborhoods, delivering food and fuel and maintaining roads and highways.

All new eligible medium truck models proposed by Ohio grant applicants as replacements must have a Certificate of Conformity issued by U.S. EPA, or the equivalent Executive Order issued by the California Air Resources Board, certifying that the new engine meets federal emission standards for the applicable model year.

Contracts have been executed with these grant recipients, and Ohio EPA issued authorizations to initiate purchasing once recipients provide acceptable documentation that they are using a competitive procurement process that meets state requirements. The earliest projects began to take delivery of new trucks and decommission the old trucks beginning in the summer of 2019. Ohio EPA expects to receive reimbursement requests from these grant recipients throughout the remainder of 2019 and 2020. A few fleets in both the public and private sectors requested to spread their purchases across two or three calendar years, for budgetary reasons. Ohio EPA issues grant contracts for 24-month or 36-month project periods, to accommodate these requests and anticipated time needed to complete competitive procurement and take delivery of new vehicles from manufacturers. Ohio EPA's administrative costs related to eligible class 4-7 truck projects began in the first half of calendar 2018, as we advised prospective grant applicants and developed, tested and deployed Ohio's grant application software for the first cycle that opened in June, 2018. We have logged many hours of personnel time assisting grant applicants in this EMA category, reviewing applications, preparing contracts, and reviewing bid packages for competitive procurement. We began site visits to funded projects in late 2019, to observe and help document proper destruction of the old engines.

Ohio's Beneficiary Mitigation Plan estimates our administrative costs at \$5.05 million, or 7% of the state's total allocation. This request includes \$15,935 (7% of \$227,645) for administrative costs, which will be itemized in the required semi-annual reports to the Trustee in terms of staff hours, equipment and travel costs incurred in reviewing applications for eligible medium truck replacement projects and overseeing implementation of the selected medium truck projects.

Ohio EPA expects to award additional grants for projects in this category in the 2019 and again in the 2020 Ohio grant cycles. The Projected Trust Allocations Table in Attachment B includes anticipated additional funding requests for eligible medium trucks.

Estimate of Anticipated NO_x Reductions (5.2.3)

It is estimated that these four eligible medium truck replacements will mitigate 2.755 short tons of NO_x annually. Ohio EPA's Diesel Emission Quantifier estimates for each project are included in the attached supporting documentation, for NO_x and other pollutants.

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditure of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1)

The Ohio Environmental Protection Agency.

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

The Ohio Environmental Protection Agency, as the lead agency for the State of Ohio implementing the Beneficiary Mitigation Plan, is committed to maintaining and making publicly available all documentation submitted in support of the funding requests 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. Ohio EPA is subject to Ohio public records requirements in chapter 149 of the Ohio Revised Code, and also to requirements in Ohio Revised Code Section 125.112 that state agencies post all grant awards above \$25,000 on a public-facing website.

Ohio EPA has established a webpage on the VW Settlement and mitigation actions, <https://epa.ohio.gov/oeo/#131365122-vw-mitigation-grants>. This site includes Ohio's Beneficiary Mitigation Plan; public comments received during Plan development and Ohio EPA's response; the most current Request for Proposals and grant application guidelines; slides and recordings from two webinars for prospective grant applicants; posted questions and answers compiled from email and telephone inquiries received by Ohio EPA during the grant application cycle; a rank ordering of all 117 applications received by cost effectiveness of the projected emission reductions; short descriptions of all projects selected for funding; and a chart of Ohio planned allocations by sector and amounts awarded in 2018. To facilitate public record and file review requests, Ohio EPA is preparing the selected grant applications for posting to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>.

During development of Ohio's draft Beneficiary Mitigation Plan in 2016, Ohio EPA issued news releases and sent an initial email announcement inviting comments to 20,355 addresses from all the Agency's mailing lists. From that effort, Ohio EPA developed and currently maintains an electronic listserv, open to the public, to communicate news, events, and information specifically about Mitigation Trust Fund and other diesel emission reduction grant application opportunities and awarded projects. The listserv currently includes contact information for more than 4,300 individuals. On October 23, 2018, Ohio EPA issued a news release and emailed this list-serv to announce the first 21 fleet projects awarded grants from Ohio's Mitigation Trust Fund. This information is also shared through partner organizations such as the Ohio School Boards Association, Ohio Public Transit Association, Ohio Trucking Association, regional planning agencies, Clean Fuels Ohio (Ohio's US DOE Clean Cities affiliate), the Midwest Clean Diesel Initiative coordinated by US EPA Region 5 in Chicago, and the national VW Settlement Clearinghouse and VW Settlement state and local programs website maintained by NASEO and NACAA.

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

Ohio Environmental Mitigation Funds will provide up to 75% or a maximum of \$110,000 for replacement of a government-owned truck, and up to 25% or a maximum of \$110,000 for replacement of a non-government owned truck. Recipients provide the balance. The percentage and dollar amounts for each of the seven awarded large truck replacement projects are detailed on the attached list.

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

On February 23, 2018, Ohio EPA provided notice, via letter and email, of availability of Mitigation Action Funds to all the parties named in 4.2.8, as well as the Wright-Patterson Air Force Base (WPAFB) Civil Engineer Group, the WPAFB Environmental Branch, both in Dayton, and the U.S. Army Corps of Engineers Great Lakes and Ohio River Division in Cincinnati. The notification to the U.S. Fish and Wildlife Service was copied to the Ottawa National Wildlife Refuge in Oak Harbor, Ohio. Notification to the U.S. Forest Service was copied to the Wayne National Forest headquarters in Nelsonville, Ohio. Notification to the National Park Service was copied to the Cuyahoga Valley National Park office in Brecksville, Ohio. The notice included a summary description of the Volkswagen Settlement including links to Appendix D-2 and Ohio's at-that-time Draft Beneficiary Mitigation Plan with a listing of Eligible Mitigation Actions, an explanation of how Ohio EPA would evaluate grant applications, and instructions to sign up for notification about implementation of Ohio's BMP, funding opportunities and application guidelines for the program in Ohio.

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).

This program will reduce emission exposures of individuals operating these trucks, residents of the Ohio neighborhoods and communities where they operate, as well as individuals who are themselves in the roadway travelling behind the trucks and individuals either living, working or simply occupying areas near public rights of way where these trucks operate. These trucks are operating in nine Ohio counties that have all been designated as priority for receiving Environmental Mitigation Funds based on the following considerations:

- air quality (Ohio counties of concern due to nonattainment of national air quality standards for ozone and PM_{2.5});
- historical levels of diesel emissions;
- the location of concentrated sources of air pollution such as distribution centers, multimodal centers, ports, rail and bus terminals and airports;
- the counties where the most VW vehicles equipped with defeat devices were registered in Ohio; and
- county overlays using U.S. EPA's *EJScreen: Environmental Justice Screening and Mapping Tool*.

ATTACHMENT B

Eligible Mitigation Action Management Plan, Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

**Project Management Plan
Project Schedule and Milestones**

| Milestone | Date |
|---|--|
| Development of Ohio EPA online grant application software | CY 2018, Q1-Q2 |
| 2018 Request for Proposals opens | CY 2018, Q2 |
| Project Sponsors submit grant applications to Ohio EPA | CY 2018, Q3 |
| Ohio EPA announces 2018 grant awards including the first two medium local freight truck replacement projects. | CY 2018, Q4 |
| Two more medium local freight truck projects were selected from the 2018 applications to propose as part of the VW match for Ohio's FFY 2019 DERA State Clean Diesel allocation | CY 2019, Q1 and Q2 |
| Grant agreements signed with four 2018 grant recipients for 24- or 36-month project timelines | CY 2018 Q4, CY 2019 Q1, Q2 and Q4 (after DERA funds awarded) |
| Grant Recipients submit competitive procurement plans to Ohio EPA for approval | CY 2019, Q1, Q2 and Q3 |
| Recipients complete procurement and submit purchase orders | CY 2019, Q1-Q4 |
| 2019 Request for Proposals opens | CY 2019 Q2 |
| Trucks delivered for 2018 grant recipients | CY 2019 Q2-Q4, CY2020 Q1-Q4, CY 2021, Q1-Q4 |
| 2018 grant recipients submit evidence of truck engine scrapping, invoices and documents required for reimbursement | CY 2019 Q4 – CY 2021 Q3 |
| Ohio EPA reviews, requests corrections if necessary, certifies project completion, provides reimbursement for 2018 grant recipients | CY 2019 Q2 – CY 2021 Q4 |
| Ohio EPA announces 2019 grant awards for additional medium local freight truck replacement projects | CY 2019 Q4 |
| 2020 Request for Proposals opens | CY 2020 Q2 |
| Ohio EPA announces 2020 grant awards for additional medium local freight truck replacement projects if sufficient funds remain. | CY 2020 Q4 |
| Ohio EPA reports to Trustee on status of and expenditures with Mitigation Actions completed and underway | Within 6 months of first disbursement; January 30 and July 30 thereafter |

PROJECT BUDGET

| Period of Performance for these four grant recipients: January 2019 – December 2021 | | | |
|--|------------------------------|--|---|
| Budget Category | Total Approved Budget | Share of Total Budget to be Funded by the Trust | Cost Share, Paid by Truck Owners |
| Equipment Expenditure | \$917,985 | \$227,645 plus admin | \$690,340 |
| Medium Truck, Fairfield County Engineer | \$153,497 | \$38,374 (25%) | \$115,123 (75%) |
| Medium Truck, Lykins Energy Solutions | \$540,284 | \$135,071 (25%) | \$405,213 (75%) |
| Medium Truck, Madison Township Trustees | \$106,224 | \$27,100 (25%) | \$79,124 (75%) |
| Medium Truck, Second Harvest Food Bank of North Central Ohio | \$117,980 | \$27,100 (23%) | \$90,880 (77%) |
| Contractor Support | \$0 | \$0 | \$0 |
| Subrecipient Support | \$0 | \$0 | \$0 |
| Administrative ¹ | \$15,935 | \$15,935 | \$0 |
| Project Totals | \$933,920 | \$243,580 | \$690,340 |
| Percentage | 100% | 26% | 74% |

¹Subject to Appendix D-2 15% administrative cap. Ohio BMP caps administrative at 7%.

PROJECTED TRUST ALLOCATIONS

| | 2019 | 2020 | 2021 |
|--|---|-----------------------------|-----------------------------|
| 1. Anticipated Annual Project Funding Request to be paid through the Trust | \$243,580 for medium trucks | \$640,218 for medium trucks | \$620,835 for medium trucks |
| 2. Anticipated Annual Cost Share | \$690,340 | \$1,920,654 | \$1,862,505 |
| 3. Anticipated Total Project Funding by Year (line 1 plus line 2) | \$933,920 | \$2,560,872 | \$2,483,340 |
| 4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation | \$17,363,334 (*assuming pending funding Request #4 for \$2,651,362 for class 8 trucks are approved.) | \$17,606,914 | \$18,247,132 |
| 5. Current Beneficiary Project Funding to be paid through the Trust (line 1) | \$243,580 | \$640,218 for medium trucks | \$620,835 for medium trucks |
| 6. Total Funding Allocated to Beneficiary, including of Current Action by Year (line 4 plus line 5) | \$17,606,914 (*) | \$18,247,132 | \$18,867,967 |
| 7. Beneficiary Share of Estimated Funds Remaining in Trust | \$57,939,189 (*) | \$57,695,609 | \$57,055,391 |
| 8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Actions (line 7 minus line 6 5) | \$57,695,609 (*) | \$57,055,391 | \$56,434,556 |

2019 Column above includes figures for beneficiary allocations in multiple categories (school and transit buses, tugboats, GSE and class 8 trucks requests pending before trustee, and this request for class 4-7 trucks.) 2020 and 2021 columns above include only the anticipated additional beneficiary allocations for class 4-7 trucks. Ohio's plan allocates a total of \$10,000,000 for class 4-7 and class 8 trucks combined, of which approximately 15% is anticipated to be awarded for class 4-7 truck projects.

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

The Ohio Environmental Protection Agency will provide detailed reporting on this Category 6 Class 4-7 Local Freight Trucks replacement project in two ways:

- (1) Timely updates to Ohio EPA's Volkswagen Mitigation Grant webpage, <https://epa.ohio.gov/oeo/#131365122-vw-mitigation-grants>; and
- (2) Ohio's semiannual reporting obligation to Wilmington Trust (the "Trustee").

Ohio EPA maintains a VW Environmental Mitigation Trust specific webpage that has been designed to support public access and limit burden for the public. The Agency is committed to maintaining and making publicly available all documentation submitted in support of the funding requests 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. Ohio EPA is subject to Ohio public records requirements in chapter 149 of the Ohio Revised Code, and also to requirements in Ohio Revised Code Section 125.112 that state agencies post all grant awards above \$25,000 on a public-facing website. These laws outline best practices for public access to records, and exemptions in the case of confidential business information and personally identifiable information meeting exemption criteria under the Ohio Public Records Law.

None of the information requested or received by Ohio EPA in the 2018 Mitigation Trust Fund grant cycle met the criteria under Ohio law for a trade secret exemption. To the limited extent information is submitted to Ohio EPA that meets exemption criteria under Ohio public records law, Ohio EPA will maintain that information as confidential.

To facilitate public record and file review requests, Ohio EPA is preparing the selected grant applications for posting to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>. All documentation submitted by grant recipients in support of the funding requests and all records supporting all expenditures of Eligible Mitigation Action funds will be posted to this searchable eDocument database, subject to applicable laws governing the publication of confidential business information and personally identifiable information. Records will be retained until the termination date of the Environmental Mitigation Fund or by retention schedules determined by the State Records Program under Ohio Revised Code section 149.333, whichever is longer.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Ohio'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."

Ohio EPA shall, in the next semiannual report following the Trustee's approval of this request, 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 (5.2.6)

Large Truck Replacement Projects

| Grant Applicant | New Truck Fuel Type | Number of Trucks | Quoted New Truck Cost | Awarded New Truck Cost and % |
|---------------------------|----------------------------|-------------------------|------------------------------|-------------------------------------|
| Fairfield County Engineer | Diesel | 1 | \$153,497 | \$38,374 (25%) |
| Lykins Energy Solutions | Diesel | 7 | \$77,183 ea | \$19,296 ea (25%) |
| Madison Township Trustees | Diesel | 1 | \$106,224 | \$27,100 (25%) |
| Second Harvest Food Bank | Diesel | 1 | \$117,980 | \$27,100 (23%) |

Grant applicants included quotes from truck vendors or state term competitive procurement contracts in the state of Ohio for prospective costs to purchase new vehicles by fuel and vehicle type. Ohio will be funding 25% of the new truck cost, as requested by the applicant and depending on the eligibility of the applicant as a government-owned (up to 75%) or non-government-owned (up to 25%) fleet. These price quotes ran to several hundred pages and are not included in this request, but will soon be posted with each selected grant application to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>.



Ohio Diesel Mitigation Trust Grant Program

\$227,645 for Class 4-7 Local Freight Trucks

These grants will replace ten old diesel trucks with ten new clean diesel trucks.

Fairfield County Engineer, Fairfield County, \$38,374 for 25% of the cost to replace one model year 2002 class 7 diesel powered local freight truck with one model year 2019 heavy duty diesel powered local freight truck, #V19F-009. Contact: Jason Grubb, jgrubb@fairfieldcountyohio.gov or (740) 652-2482.

Lykins Energy Solutions, Butler, Clermont, Hamilton and Warren Counties, \$135,071 for 25% of the cost to replace seven model year 1994-2007 class 7 diesel powered local freight trucks with seven model year 2019-2021 class 7 diesel powered local freight trucks, #V19F-014. Contact: Jeffery Goetz, jgoetz@lykinsenergy.com or (513) 965-6266.

Madison Township Trustees, Lake County, \$27,100 for 25% of the cost to replace one model year 1996 class 7 diesel powered local freight truck with one model year 2019 class 7 diesel powered local freight truck, #V19F-023. Contact: Timothy Brown, 440-428-7551 tbrown@madisontownship.net or 440-428-7551.

Second Harvest Food Bank of North Central Ohio, Erie, Cuyahoga and Lorain Counties, \$27,100 for 23% of the cost to replace one model year 2008 class 6 diesel powered local freight truck with one model year 2019 class 6 diesel powered local freight truck, #V19F-024. Contact: Phil Simulcik, psimulcik@secondharvestfoodbank.org or 440-444-0705.

Ohio 2018 DMTF Projects: Class 4 - 7 Trucks

| | | | | | |
|--|-----|---|-----|----------------------|-----------|
| Total Emission Reductions of NOx for Class 4-7 Truck Projects [tons/yr.] | 2.8 | Total Emission Reductions of all other Pollutants for all Class 4-7 Truck Projects [tons/yr.] | 1.4 | Total Funding Amount | \$227,645 |
|--|-----|---|-----|----------------------|-----------|

| Grant Award # | Applicant | County [1st Priority] | County [2nd Priority] | DEQ Calculation NOx Reduction (tons/yr) | DEQ Calculation PM2.5 Reduction (tons/yr) | DEQ Calculation HC Reduction (tons/yr) | DEQ Calculation CO Reduction (tons/yr) | DEQ Calculation CO ₂ Reduction (tons/yr) | Sum Total of NOx, PM2.5, HC, & CO Reductions (tons/yr) | Cost-Effectiveness (Funded Amount/Sum Total of NOx, PM2.5, HC & CO reductions) (\$/ton) | Funding Amount (\$) |
|---------------|------------------------------|--------------------------|--------------------------|---|---|--|--|---|--|---|------------------------|
| V19F-009 | Fairfield County Engineer | Fairfield | 0 | 0.204 | 0.020 | 0.050 | 0.089 | 0.000 | 0.363 | \$105,713.50 | \$38,374 |
| V19F-014 | Lykins Energy Solutions | Hamilton | 0 | 2.256 | 0.180 | 0.312 | 0.637 | 0.000 | 3.385 | \$39,902.81 | \$135,071 |
| V19F-023 | Madison Township Trustees | Lake | 0 | 0.193 | 0.016 | 0.030 | 0.047 | 0.000 | 0.093 | \$291,397.85 | \$27,100 |
| V19F-024 | Second Harvest Food Bank | Cuyahoga, Lorain | Erie | 0.102 | 0.000 | 0.005 | 0.017 | 0.000 | 0.022 | \$1,231,818.18 | \$27,100 |
| TOTAL: | | | | | | | | | 3.863 | | \$227,645 |

FISCAL YEAR 2019

STATE CLEAN DIESEL GRANT PROGRAM

OHIO WORK PLAN AND BUDGET NARRATIVE June 17, 2019

INSTRUCTIONS: States and territories applying for FY 2019 DERA State Clean Diesel Grant Program funding must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the FY 2019 STATE CLEAN DIESEL PROGRAM INFORMATION GUIDE for full Program details, eligibility criteria and funding restrictions, and application instructions.

SUMMARY PAGE

Project Title: Ohio State Clean Diesel Rebate Program 2019

Project Manager and Contact Information

Organization Name: Ohio Environmental Protection Agency

Project Manager: Carolyn Watkins

Mailing Address: PO Box 1049, Columbus, OH 43216-1049

Phone: 614-644-3768

Fax: 614-752-0727

Email: carolyn.watkins@epa.ohio.gov

Project Budget Overview:

| | FY 2019 |
|---|--------------------|
| EPA Base Allocation | \$331,920 |
| State or Territory Voluntary Matching Funds (if applicable) VW DERA Option | \$331,920 |
| EPA Match Incentive (Bonus) (if applicable) | \$165,960 |
| Mandatory Cost-Share | 1,822,979 |
| TOTAL Project Cost | \$2,652,779 |
| Other Leveraged Funds | 0 |

Project Period

October 1, 2019 – September 30, 2021

Summary Statement

Ohio EPA proposes to use FY 2019 funds to pay 40% of the cost of propulsion and auxiliary engine repowers on two diesel tugboats working Ohio River ports; to pay 25% of the cost to replace 15 eligible aging diesel school buses with new diesel buses; and to pay 25% of the cost to replace two eligible diesel trucks used for local freight delivery and road maintenance. Past State Clean Diesel Program expenditures by Ohio EPA are posted at

<https://epa.ohio.gov/Portals/42/documents/FedFundSumForDERAProjsInOhio%202017%20jan18.pdf>

SCOPE OF WORK

STATE/TERRITORY GOALS AND PRIORITIES:

Based upon the 2014 National Emissions Inventory, the diesel fleet in Ohio contributes 7,194 tons of PM_{2.5} emissions annually, of which 1,266 tons originate in the counties targeted for DERA and VW funds in this proposal (Cuyahoga, Lake, Lawrence, Lorain, Montgomery and Scioto Counties). Statewide, non-road diesel equipment accounts for 2,958 tons, on-road diesel heavy duty vehicles account for 2,781 tons, on-road diesel light duty vehicles account for 175 tons, commercial marine vessels account for 185 tons, locomotives account for 849 tons, and aircraft account for 245 tons. With respect to the targeted counties, non-road diesel equipment accounts for 450 tons, on-road diesel heavy duty vehicles account for 566 tons, on-road diesel light duty vehicles account for 17 tons, commercial marine vessels account for 40 tons, locomotives account for 143 tons, and aircraft account for 49 tons. Please note this does not include emissions from point sources (operations at individual facilities). Data for marine vessels, locomotives and aircraft includes all types of fuels although it is expected that the majority of those are diesel.

While the PM_{2.5} air quality in Ohio continues to improve from historical levels, areas of Ohio continue to struggle in meeting health-based air quality standards as USEPA continues to lower those standards. Currently Ohio is not meeting the PM_{2.5} annual standard in Cuyahoga and Lorain Counties. PM_{2.5} levels tend to be highest in the urban and industrialized areas of Columbus, Cincinnati, and Cleveland, along with the counties surrounding those areas.

Based upon the 2014 National Emissions Inventory, the commercial marine fleet in Ohio contributes 8,107 tons of NO_x emissions annually, of which 1,783 tons originate in the counties targeted for federal funds (Cuyahoga, Lake, Lawrence, Lorain, Montgomery and Scioto Counties).

While the ozone air quality in Ohio continues to improve from historical levels, areas of Ohio continue to struggle in meeting health-based air quality standards as US EPA continues to lower those standards. NO_x emissions contribute to the formation of ozone. On April 30, 2018, U.S. EPA designated fifteen Ohio counties as nonattainment for the 2015 eight-hour ozone standard. As a result, additional strategies will be necessary to achieve further emission reductions in these counties. Ohio EPA designated these counties as First Priority for eligible mitigation actions to be funded from Ohio's allocation under the Volkswagen settlement, in the state's Beneficiary Mitigation Plan that was submitted to the VW Trustee 5/31/18. Ozone levels tend to be highest in the urban and industrialized areas of Columbus, Cincinnati, and Cleveland, and their surrounding counties.

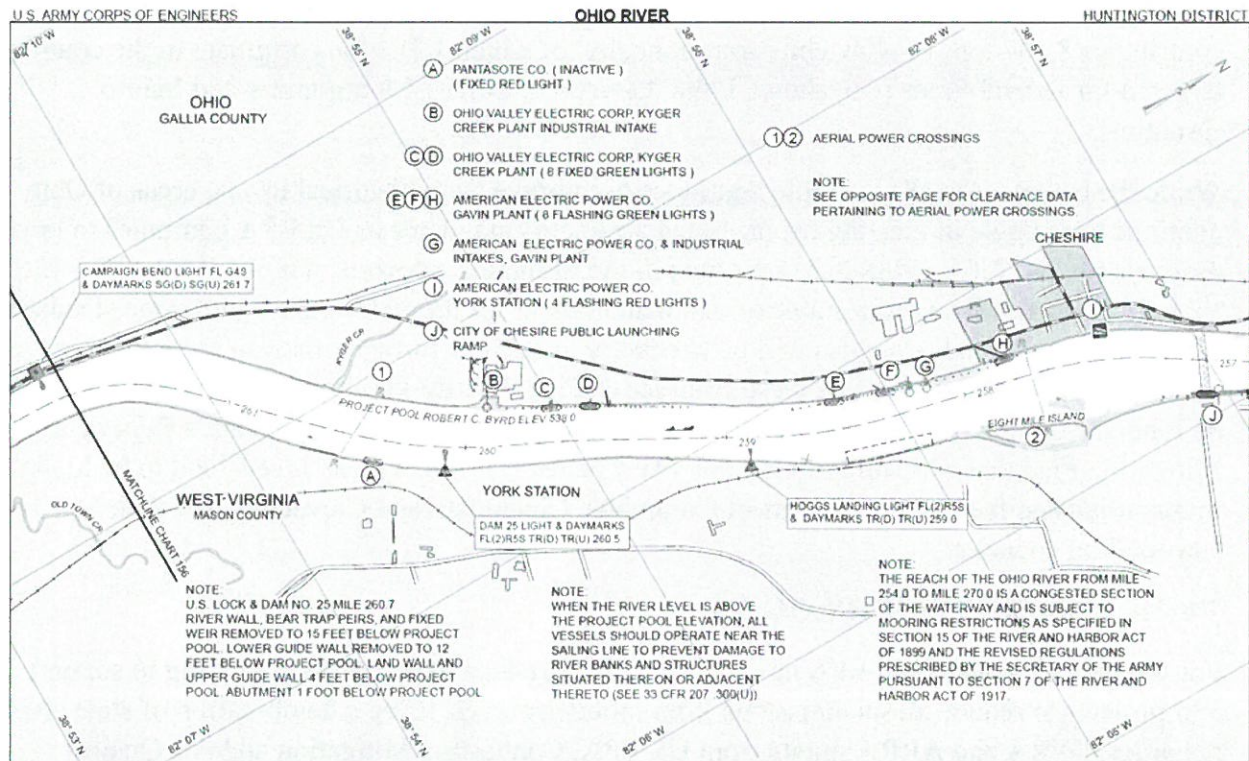
VEHICLES AND TECHNOLOGIES:

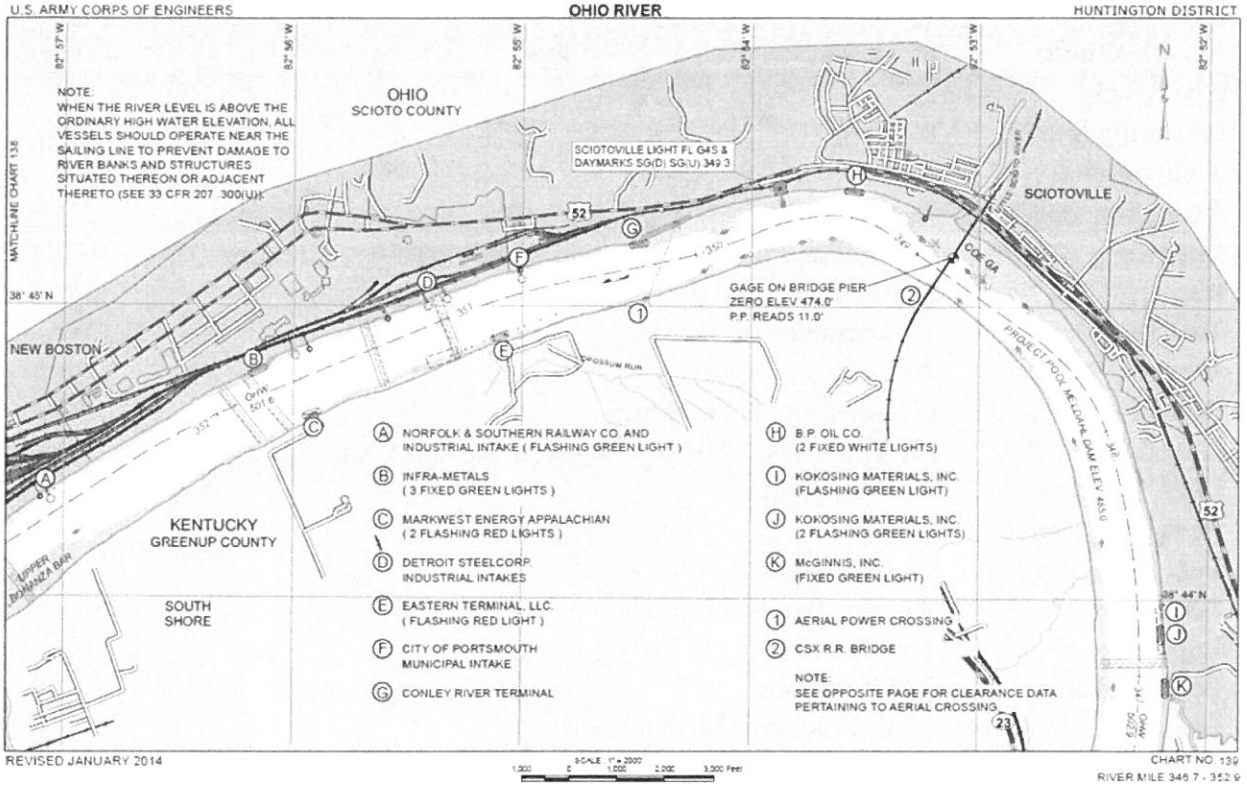
For the past 15 years, Ohio EPA has coordinated more than \$80 million in funding to support 335 projects to reduce diesel emissions from mobile sources, using a combination of state civil penalties, DERA and ARRA grants from US EPA, Congestion Mitigation and Air Quality (CMAQ) funding from the Federal Highway Administration, and most recently, Ohio's

allocation from the Volkswagen Mitigation Trust Fund. The four projects proposed in this workplan build upon that experience, including the significant emission reductions achieved with previously funded tow/tugboat projects on the Ohio River and Lake Erie. They also reflect Ohio EPA’s historical emphasis on reducing emissions from school buses, because young children are among the most vulnerable to the pollutants in diesel exhaust.

Project One: Superior Marine Ways, Inc. proposes to repower two harbor towboats operating between Ohio River Miles 259 – 351. The vessels are based in Lawrence County, Ohio at River Mile 319.4, and operate primarily between South Point and Wheelersburg in the Ohio Counties of Lawrence and Scioto, and in Huntington, WV harbor.

The Michael D and Matthew T operate 24 hours a day seven days a week managing barge fleets in the nation’s largest inland waterway port. The project will overhaul four Tier 0 engines and four generators with uncontrolled emissions, to replace them with Tier III rated engines to vastly improve fuel efficiency and reduce overall emissions. The total project cost is \$1,107,075. Ohio EPA requests \$442,830 in DERA funds to cover 40% of the project cost, to be matched with \$664,245 (60%) from the company. The Michael D and Matthew T have at least five years of useful life in the current engines. Overhauls are scheduled for June, 2023 for the Michael D and July of 2024 for the Matthew T. Without the DERA funding, these vessels would continue current engines and use. The company pledges to continue to operate the tugs primarily within Lawrence and Scioto Counties, and to destroy the old engines in accordance with program requirements. Taylor Iron and Metal will certify that the engines removed from the two vessels have been properly destroyed, and estimates the scrap value at \$1,703.88 for the project.





| | |
|--------------------|--|
| Net Tons: | 93 |
| Length/Width: | 65 ' x 24' |
| Eye Level: | 27' |
| Operating Draft: | 8'0" |
| Twin Screw: | Yes |
| Reduction Gear: | Twin Disc MC540 7/1 |
| Engines: | Caterpillar 3412 eng hrs: port 44805, stbd0 |
| HP: | 1250 HP |
| Tail Shafts: | 7" Diameter |
| Wheels: | 76" x 56" |
| Rudders: | (2) Steering (4) Flanking |
| Generators: | (2) Caterpillar 3304 65KW eng hrsL port 0 stbd 25359 |
| Deck Winches | Nabrico 40 ton |
| Sewage System: | Owens |
| Fuel Capacity: | 17,482 Gallons |
| Fuel Burn: | Approximately 17 GPH |
| Lube Oil: | 150 Gallons |
| Potable Water: | 3,000 Gallons |
| Engine Room Alarm: | USCG fuel shutdown system USCG fire shutdown system |

Superior Marine Ways, Inc., purchased the Michael D in 1987 and has operated it as a harbor boat since purchase. The Michael D currently operates with two diesel Caterpillar 3414 model engines from 1980 (Tier 0). The project will replace these engines with Caterpillar C-18s, C1ACERT Commercial Marine Applications, Tier III rated. The generators will be Caterpillar C4.4 58ekW Diesel Marine Generators. Each Set has three phase ratings of 50 Hertz at 38.0, 51.5, and 69.0 ekW with heat exchanger cooling and at 36.0, 49.0, and 65.0 ekW with radiator cooling that meet EU CCNR2 emission standards. The C4.4 also has three phase ratings of 60 Hertz at 44.0, 58.5, 76.0 and 99.0 ekW with heat exchanger cooling and of 42.0, 56.0, 72.0 and 95.0 ekW with radiator cooling. C4.4 gen set is available in 12 or 24 volt as an open gen set or as an enclosed package. Single-side servicing improves ease of maintenance and lowers overall owner operating costs.

A detailed scope of work for this project is provided in an attachment that breaks out total costs to rebuild the Michael D engines at \$552,940.

M/V Matthew T Official Number 616173

| | |
|--------------|--|
| Builder: | Thrift Shipbuilding and Repair, Sulfur, LA |
| Year Built: | 1980 |
| Net Tons: | 69 |
| Length/Width | 56' x 22' |
| Eye Level: | 27' |

| | |
|--------------------|---|
| Operating Draft: | 7'0" |
| Twin Screw: | Yes |
| Reduction Gear: | Twin Disc 518 6/1 |
| Engines: | Caterpillar 3408 eng hrs: port 2816, stbd 2015 |
| HP: | 1000 HP |
| Tail Shafts: | 5" Diameter |
| Wheels: | 64" x 53" |
| Rudders: | (2) Steering (4) Flanking |
| Generators: | (2) Cummins 6B, 40KW KATO Eng hrs: port 10003 stbd 4169 |
| Deck Winches | Nabrico 30 ton |
| Sewage System: | Owens |
| Fuel Capacity: | 12,500 Gallons |
| Fuel Burn: | Approximately 12 GPH |
| Lube Oil: | 250 Gallons |
| Potable Water: | 3,000 Gallons |
| Engine Room Alarm: | USCG fuel shutdown system USCG fire shutdown system |

The Matthew T currently operates two Tier 0 Caterpillar 3408 engines from 1980. This project will replace these engines with Caterpillar C-18s, C1ACERT Commercial Marine Applications, Tier III rated. The generators will be CAT C4.4 58kW diesel marine generator set with three phase ratings of 50 Hertz at 38.0, 51.5 and 69.0 kW with heat exchanger cooling and at 36.0, 49.0, and 65.0 kW with radiator cooling. The C4.4 also has three phase ratings of 60 Hertz at 44.0, 58.5, 76.0 and 99.0 kW with heat exchanger cooling and of 42.0, 56.0, 72.0 and 95.0 kW with radiator cooling. C4.4 gen set is available in 12 or 24 volt as an open gen set or as an enclosed package. Single-side servicing improves ease of maintenance and lowers overall owner operating costs.

Ohio EPA awarded Superior Marine Ways a previous CMAQ grant of \$728,536 in 2016 for a similar project, to repower four 1980s-era diesel propulsion engines and four auxiliary engines with Tier III power units in two towboats, the Stephen T and R.H. Beymer, also in Lawrence County. That project is well underway and nearing successful completion.

With data only for the propulsion engines, Ohio EPA used the Diesel Emissions Quantifier (DEQ) tool to estimate the annual emission reductions to be achieved for the proposed Project One as 18.568 short tons, broken out as follows: 15.667 NO_x; 0.573 PM_{2.5}; 0.585 HC; and 1.743 CO. This estimate will be revised upward to include emission reductions from the auxiliary engines once we have complete information from the company.

A detailed scope of work for this project is provided in an attachment that breaks out total costs to rebuild the Matthew T engines at \$554,135.

Combined cost for both vessels is \$1,107,075. Ohio EPA is requesting DERA funds to pay 40%, or 442,830, and Superior Marine Ways will provide the required 60% local match of \$664,245.

Project Two: The Dayton Public School District in Montgomery County proposes to replace eight model year 2002 and seven model year 2005 International/BlueBird 7.66 liter diesel school buses with fifteen model year 2020 Cummins/Thomas Saf-T-Liner C2 311TS diesel school buses. The new bus engine is certified through CARB Executive Order A-021-0891. The buses operate normal routes within Montgomery County transporting students to and from school and are estimated to operate no more than 10% of the time outside the county for field trips and athletics. Dayton Public Schools has committed to scrapping the old buses in accordance with program requirements. Franklin Iron and Metal of Dayton will certify that the buses have been properly destroyed, and has estimated the scrap value at \$1,500.00 for the project.

Ohio EPA used the DEQ tool to estimate the annual emission reductions to be achieved for Project Two as 2.92 short tons, broken out as follows: 1.667 NO_x; 0.140 PM_{2.5}; 0.302 HC; and 0.811 CO.

Project Three: Second Harvest Food Bank of North Central Ohio proposes to replace one model year 2008 Hino model 288A 220 HP 7.7 liter diesel delivery box truck with a model year 2019 Freightliner/Cummins M2 106 Reefer ISB 6.7 liter 220 HP diesel delivery box truck. The truck is domiciled within Lorain County and operates 62% of the time within this County, with additional routes in Cuyahoga and Erie Counties. The truck is used to pick up food donations and deliver food to a network of 160 food pantries, shelters, soup kitchens, children's program and supplemental food programs. Second Harvest has committed to scrapping the old truck in accordance with program requirements. Sugar Ridge, Inc. of Elyria, OH, will certify that the old truck engine has been properly decommissioned, and has estimated the scrap value at \$400.00 for the project.

Ohio EPA used the DEQ tool to estimate the annual emission reductions to be achieved for Project Three as 0.124 short tons, broken out as follows: 0.102 NO_x; 0.00 PM_{2.5}; 0.005 HC, 0.017 CO.

Project Four: The Board of Madison Township Trustees in Lake County proposes to replace a 1996 International 4900 7.6 liter diesel dump/plow truck with a 2019 Mack 42BR diesel dump/plow truck with an MP7-355A Mack engine. The truck is used for general maintenance and construction of all township roads, including snow plowing and transportation of construction materials. The Township trustees have committee to scrapping the old truck in accordance with program requirements. Connelly Recycling Center in North Perry, OH, will certify that the old truck engine has been properly decommissioned, and has estimated the scrap value at \$1,159.00.

Ohio EPA used the DEQ tool to estimate the emission reductions to be achieved for Project Four as 0.286 short tons, broken out as follows: 0.193 NO_x; 0.016 PM_{2.5}; 0.030 HC, 0.047 CO.

ROLES AND RESPONSIBILITIES:

After receiving approval from US EPA, Ohio EPA will award grant contracts to the four proposed subrecipients, outlining their responsibilities consistent with DERA and VW funding requirements. Once these contracts have been signed and executed by both parties, Ohio EPA will approve competitive procurement procedures submitted by each subrecipient, and notify the subrecipients to initiate purchase of the replacement engine equipment for the tugboats in Project One, and replacement school buses and trucks for Projects Two through Four. The subrecipients will pay 100% of the cost of the new engines or vehicles, provide proof of payment, and submit an invoice to Ohio EPA for the approved allowable costs of the new engines or vehicles.

The proposed subrecipients are aware of, and will be contractually obligated to fulfill, a requirement to destroy the old vessel or vehicle engines within 90 days of placing the new vessel or vehicle into service. For the tugboat engine repowers in Project One, Ohio EPA may approve reimbursement payments in phases as work is completed and documentation of completion of project milestones is received. Ohio EPA will not approve payments for new school buses and trucks in Projects Two through Four until the old vehicles have been properly decommissioned.

Ohio EPA requires quarterly expenditure and activity reports from subrecipients, and payments to subrecipients are strictly for reimbursement of eligible expenses based on Ohio EPA approval of submitted invoices. Subrecipients are contractually required to keep receipts and financial records for five years after concluding the grant and make those records available for inspection when requested. The contracts also require that the repowered tugboats be kept in service in Ohio ports for a minimum of five years. They are expected to remain in service for many more years. The contracts will also require that the replacement school buses and trucks be kept in service in Ohio counties for a minimum of five years. Subrecipients may not make changes to equipment or timelines without prior written approval from Ohio EPA. Staff members from Ohio EPA's Office of Environmental Education (OEE) and/or Division of Air Pollution Control (DAPC) and the Ohio Department of Transportation may conduct site visits to observe installation of new tugboat engines, destruction of old tugboat engines, or audit financial records. Ohio EPA staff members may also conduct site visits to observe destruction of old school buses and trucks, verify receipt of new vehicles, or audit financial records.

TIMELINE AND MILESTONES:

Ohio EPA anticipates executing contracts with the proposed subrecipients within 30-60 days of receiving notification from US EPA of final workplan approval and authorization to proceed. For proposed Projects One, Three and Four, we expect to review proposed purchasing procedures authorize the subrecipients by December 31, 2019 to initiate purchasing of trucks and of tugboat engines and generators. Superior Marine estimates that the tugboat overhauls in Project One can be completed within 365 days. We expect Project One to be completed by June 30, 2021. The new trucks for Projects Three and Four are expected to be delivered within nine months, so we expect those projects to be completed by March 31, 2021.

For Project Two, Ohio EPA has already verified that the price quote submitted by Dayton City Schools was obtained through a state-approved competitive procurement process that meets

DERA program requirements, so the school district will be authorized to order the new school buses immediately upon execution of the contract. The district expects to take delivery of the new buses from the manufacturer in August, 2020, in time for start of the 2020-2021 school year, and to complete decommissioning of the old buses within 60 days of the new buses being placed into service. Ohio EPA expects to close out Project Two by October 31, 2020.

Ohio EPA contracts will require all four subrecipients to maintain the new vehicles and equipment in accordance with manufacturer specifications; to allow for site visit inspections by Ohio EPA personnel; to report annually to Ohio EPA confirming operation of the vehicles/vessels within eligible Ohio counties; and to maintain all financial records of the project for a five-year period after conclusion of the project.

DERA PROGRAMMATIC PRIORITIES:

By using the federal grant funds to replace aging diesel school buses, trucks and tug boat engines with higher-tier, cleaner diesel technology and by verifying that subgrantees have anti-idling policies in place, this proposal will maximize the public health benefits of emission reductions for the most vulnerable element of the population, school-aged children, and for residents of communities that have disproportionately suffered from diesel emissions, by reducing their exposure to particulate matter, carbon monoxide, nitrogen oxides and hydrocarbons.

All four proposed projects are located in DERA 2019 priority counties. Projects One and Two are located in Scioto and Montgomery Counties, where all or part of the population is exposed to more than 2.0 $\mu\text{g}/\text{m}^3$ of diesel particulate matter emissions, according to the 2011 National Air Toxics Assessment. Projects Three and Four will replace trucks operating in Cuyahoga, Lake and Lorain Counties, currently designated as Nonattainment areas for ozone. Cuyahoga and Lorain are also designated Nonattainment for $\text{PM}_{2.5}$. More than half the funds requested are proposed for a project that supports US EPA's Ports Initiative by reducing diesel emissions from tugboats operating in inland ports that service goods movement along the Ohio River.

All four project proposals were reviewed in Ohio's 2018 VW application cycle, and ranked highly based on a formula that includes calculation of cost effectiveness in terms of the dollar cost per pound of $\text{PM}_{2.5}$ and NO_x reductions that can be achieved, based on the type of engine, model year, miles traveled or hours of operation, and the emissions factors published in the US EPA- and CARB-issued engine conformity certificates.

EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

This proposal supports Goal 1, "Core Mission: Deliver real results to provide Americans with clean air, land and water, and ensure chemical safety," Objective 1.1, "Improve Air Quality" of EPA's FY 2018-22 Strategic Plan. The proposed four projects will reduce emissions from diesel vessels and vehicles in priority areas, thereby reducing local and regional air pollution of criteria pollutants and air toxics. The tugboat project component is also consistent with the findings and recommendations in EPA's *National Port Strategy Assessment: Reducing Air Pollution and Greenhouse Gases at U.S. Ports*, (EPA Office of Transportation Air Quality, EPA-420-S-16-

002, September 2016, <https://www.epa.gov/ports-initiative/national-port-strategy-assessment>) to reduce port-related diesel emissions that impact public health and the climate.

Outputs: Ohio EPA will track the destruction of the engines of the replaced school buses, trucks and tugboats, and verify that new cleaner/higher-tier diesel engines are placed into service. Ohio EPA will use the Diesel Emissions Quantifier tool to estimate the annual pounds or tons of fine particulate matter (PM_{2.5}), nitrogen oxides and other pollutants reduced, and will calculate the project cost-effectiveness in dollars per pound of PM_{2.5} and NO_x emission reductions achieved. Ohio EPA's preliminary DEQ estimate for the four proposed projects is that nearly 22 tons of annual emissions will be reduced. Specific emission reduction estimates for each project will be revised in the final project report to reflect the equipment actually purchased.

Outcomes: Short term outcomes include direct reductions in emissions from the replacement of fifteen school buses, two trucks and the engines in two old diesel tugboats with cleaner diesel engines. These actions will have immediate public health benefits for the children riding these school buses and the residents of the local communities. Another will be the increased public awareness of the benefits of the clean diesel program, as Ohio EPA and the subgrantees publicize their efforts.

Medium-term outcomes include the widespread adoption of cleaner technology by diesel fleets in Ohio, and documented emission reductions estimated by Ohio EPA using the Diesel Emissions Quantifier tool.

Long-term outcomes include improved air quality in some of the state's urban areas that have struggled to meet PM_{2.5} and ozone standards for air quality. These actions will also contribute toward the ongoing Midwest Clean Diesel Initiative's efforts to reduce emissions from diesel engines in the Midwest through voluntary actions. What is learned from these four diesel replacement projects is anticipated to help inform our efforts to reduce emissions from other targeted fleets, allowing continued expansion of Ohio's clean diesel initiatives.

SUSTAINABILITY OF THE PROGRAM:

Ohio EPA will continue its efforts to reduce diesel emissions from mobile sources, using a combination of state civil penalties, DERA grants from US EPA, Congestion Mitigation and Air Quality (CMAQ) funding from the Federal Highway Administration, and Ohio's allocation from the Volkswagen Mitigation Trust Fund. Results will be reported every quarter to US EPA and every six months to the VW Trustee, according to each program's requirements.

Ohio EPA issues a news release to major media outlets statewide each grant cycle, announcing the recipients and grant amounts awarded, and amount of pollution reduction that is anticipated to result. The news release is also sent to the subrecipients' local media outlets. Ohio EPA will publicize the program through its Web pages <http://www.epa.ohio.gov/oef/schoolbus.aspx> and <https://epa.ohio.gov/oeef/#131365122-vw-mitigation-grants>, in public meetings planned for the next VW grant cycle; and in newsletter articles, presentations and exhibits at conferences of organizations such as Clean Fuels Ohio (Midwest Green Fleets), the Ohio Department of

Transportation's Transportation Education Conference, the Ohio School Boards Association, Ohio Health Commissioners Association, Ohio Public Health Association, Ohio Pupil Transportation Association, Ohio Environmental Health Association, Science Education Council of Ohio, and Environmental Education Council of Ohio.

Ohio's clean diesel projects are also featured in Ohio EPA exhibits at large public events such as the Ohio State Fair and regional Earth Day celebrations, at the Mid-Ohio Regional Planning Commission's annual Clean Air Fair and Sustainability Summit events, at career day and environmental education programs for schools and workshops for teachers. Reminders of upcoming grant application deadlines are sent to a clean diesel program interested parties list with more than 2000 names, to school bus fleet managers through the e-mail newsletters and listservs of the Ohio Pupil Transportation Association, Ohio School Boards Association and the Ohio Association of County Boards of Developmental Disabilities. Ohio EPA has given several presentations to the Midwest Clean Diesel Initiative steering committee about our efforts with combined state and federal funds to address emissions from all transportation sectors.

Subrecipients are encouraged to educate students, teachers, staff, parents, and local residents about their efforts to reduce emissions from their fleets. They are asked to include copies of news clippings and other documentation in their reports to Ohio EPA.

BUDGET NARRATIVE

Itemized Project Budget

| Budget Category | EPA Allocation | Mandatory Cost-Share | Voluntary Match (if applicable) | | Line Total |
|--|----------------|----------------------|---------------------------------|-------------|------------|
| | | | VW Mitigation Trust Funds | Other Funds | |
| 1. Personnel | | | | | |
| 2. Fringe Benefits | | | | | |
| 3. Travel | | | | | |
| 4. Equipment | | | | | |
| 5. Supplies | | | | | |
| 6. Contractual | | | | | |
| 7. Other | | | | | |
| Other: Subgrant to Superior Marine for engine replacements in two tugboats | \$442,830 | \$664,245 | | | 1,107,075 |
| Other: Subgrant to Dayton Public Schools for 15 school bus replacements | \$55,050 | \$991,125 | \$275,325 | | 1,321,500 |

| | | | | | |
|--|-----------|-------------|-----------|--|-------------|
| Other: Subgrant to Second Harvest Food Bank for one heavy duty truck replacement | | \$88,485 | \$29,495 | | \$117,980 |
| Other: Subgrant to Board of Madison Township Trustees (Lake County) for one heavy duty truck replacement | | \$79,124 | \$27,100 | | \$106,224 |
| 8. Total Direct Charges (sum 1-7) | \$497,880 | \$1,822,979 | \$331,920 | | \$2,652,779 |
| 9. Indirect Charges | 0 | 0 | 0 | | 0 |
| 10. Total (Indirect + Direct) | \$497,880 | \$1,822,979 | \$331,920 | | \$2,652,779 |
| 11. Program Income | 0 | 0 | 0 | | 0 |
| 12. Other Leveraged Funds* | 0 | 0 | 0 | | 0 |

*Do not include Other Leveraged Funds on SF-424 or SF-424A

Explanation of Budget Framework

- *Personnel – N/A*
- *Fringe Benefits – N/A*
- *Travel – N/A*
- *Equipment – N/A*
- *Supplies – N/A*
- *Contractual – N/A*
- *Other*

The amount of the proposed subaward to Superior Marine Ways, Inc. is based on the attached detailed quote of \$552,940 for the engines repower of the Michael D, of which \$433,765 is for supplies and equipment, and \$119,175 for labor, and \$554,135 for the engines repower of the Matthew T, of which \$431,765 is for supplies and equipment, and \$122,370 for labor. This quote was submitted to Ohio EPA's Diesel Mitigation Trust Fund in August, 2018. Of the total project cost of \$1,107,075, the 40% federal share of the repower costs would be \$442,830, and the 60% mandatory cost share will come from the Company's operating budget. The company provided documentation of creditworthiness to Ohio EPA to show that they can carry out the project phases while awaiting reimbursement from the grant.

The amount of the proposed subaward to Dayton Public Schools is based on a current quote of \$88,100 per new diesel school bus. The 25% grant share would be \$330,375, funded with \$55,050 in DERA funds and \$275,325 in funds from Ohio's VW allocation. The 75% local share would be \$991,125, provided from the school district's general fund.

The amount of the proposed subaward to the Second Harvest Food Bank of North Central Ohio is based on a quote of \$117,980 submitted to Ohio EPA's Diesel Mitigation Trust Fund in August, 2018. The 25% grant share of \$29,495 would be funded from Ohio's VW allocation. The 75% local share would be \$88,485, provided from the organization's investment account and grant funds raised locally for the truck replacement.

The amount of the proposed subaward to the Board of Trustees of Madison Township in Lake County, Ohio, is based on a current quote of \$106,224 per new truck. The 25.5% grant share of \$27,100 would be funded from Ohio's VW allocation. The 74.5% local share would be \$79,124, provided from the Township's road repair fund.

- *Indirect Charges – N/A*

Matching Funds and Cost-Share Funds

Ohio EPA submitted the state's Beneficiary Mitigation Plan to the VW Trustee on May 31, 2018, laying out proposed uses for \$75,302,522.67 from the VW settlement. A posted chart of Ohio VW allocations by sector and amounts awarded to date shows that ample funds remain in the school bus and truck categories to provide the match offered in this workplan. Ohio's BMP allocates \$15 million for school bus projects, with \$5 million awarded to date; and \$10 million for heavy duty trucks, with \$3,051,616 awarded to date. (Ohio EPA used the DERA Option in its FFY2017-2018 DERA workplans to fund a tug boat replacement project on Lake Erie. Ohio EPA is proposing DERA funds for the Ohio River tugboat project in this workplan because it is not located in one of the 26 VW priority counties identified in Ohio's VW BMP.)