

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Indiana

Lead Agency Authorized to Act on Behalf of the Beneficiary Indiana Department of Environmental Management
(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: | Round 1 - Onroad and Nonroad Awards |
| Beneficiary's Project ID: | Round 1 - Franklin Community Schools Diesel Bus Replacements |
| Funding Request No. | <i>(sequential)</i> 7 |
| Request Type: (select one or more) | <input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____ |
| Payment to be made to: (select one or more) | <input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Grantee: Franklin Community School Corporation as detailed in Attachment A</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>Category 2: School Bus</u> |
| Action Type | <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____ |
| Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): See Appendix D-4 Summary Details attachment. | |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Appendix D-4 Summary Details attachment. | |
| Estimate of Anticipated NOx Reductions (5.2.3): See Appendix D-4 Summary Details attachment. | |
| 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 Appendix D-4 Summary Details attachment. | |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Appendix D-4 Summary Details attachment. | |
| Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Appendix D-4 Summary Details attachment. | |
| Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Appendix D-4 Summary Details attachment. | |

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 Appendix D-4 Summary Details attachment.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|--------------|--|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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.] |

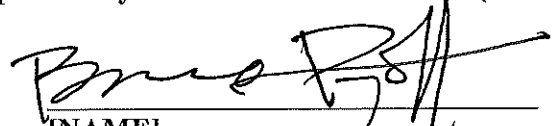
CERTIFICATIONS

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

1. This application is submitted on behalf of Beneficiary State of Indiana, 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: 8/12/20



[NAME]
[TITLE] *Commissioner*

Indiana Department of Environmental Management

[LEAD AGENCY]

for

State of Indiana

[BENEFICIARY]

Appendix D-4 Summary Details

Eligible Mitigation Action Type:

Category 2 – School Bus

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

Indiana will generally fund all eligible mitigation action (EMA) types included in Appendix D-2 of the national consent decree. The Mission Statement and Overall Goals are described below:

In promoting the reduction of emissions of NO_x, the Indiana Volkswagen Environmental Mitigation Trust Fund Program will prioritize sustainable projects that are transformative, positively impacting the environment, enhancing the health and well-being of residents, and promoting Indiana's growing economy.

The Program will focus on technological change and advancement with resiliency and favoring use of domestic fuel, where possible.

The goals of the Indiana Volkswagen Mitigation Trust Program include:

- Improving air quality across Indiana through cost-effective NO_x emission reduction strategies
- Maximizing diesel emission reductions across Indiana, while considering various categories of sensitive populations as areas of specific focus
- Providing appropriate considerations to projects that have diesel emission reductions that go beyond just NO_x, including PM_{2.5}, hydrocarbons (HC), carbon monoxide (CO), and carbon dioxide (CO₂)
- Encouraging leveraging of project partner funds with VW Trust funds to further the reach of the Indiana program

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

This project is for the purchase, installation, operation and maintenance of eight (8) 2019 model-year, or newer, U.S. EPA emission compliant propane-powered school buses that will REPLACE eight (8) of the Grantee's model year pre-2009 existing diesel-powered school buses that will be used for the same purpose. HOWEVER, this reimbursement request is ONLY for the FIRST 3 of these propane school buses. The replacement vehicle(s) will be located and primarily operated in-and-around Johnson County, Indiana.

Propane powered school buses dramatically improve quality of life conditions for riders, drivers, technicians, and citizens in the areas of operation due to lower tailpipe emissions in addition to less noisy engine operations.

The lifetime estimated emission reductions of pollutants according to U.S. EPA's Diesel Emission Quantifier (DEQ) include 1.975 tons of nitrogen oxides (NO_x) and 0.154 tons of fine particulate matter (PM_{2.5}).

Estimate of Anticipated NOx Reductions (5.2.3):

Over the lifetime of these buses, U.S. EPA's DEQ model estimates this project will result in a NOx reduction of 1.975 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):

Indiana Department of Environmental Management

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

In October of 2017, IDEM published a website with specific information on the national mitigation trust as well as the Indiana program. The website included an opportunity to sign up for automated updates to make sure interested parties were always kept apprised of any changes made to the program website. This web portal will be the location for all information related to the Indiana Volkswagen Mitigation Trust Program.

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

Indiana will use Volkswagen Mitigation Trust funds to reimburse non-government owned fleet and equipment owners at the levels specified in Appendix D-2 of the national mitigation trust. IDEM will also use Volkswagen Mitigation Trust funds to reimburse government-owned fleets and equipment at the same level as non-government owned fleet and equipment owners, as opposed to the full cost reimbursement permitted by Appendix D-2.

Specifically for this project, the Indiana Volkswagen Mitigation Trust Program will cover 25% of the total project cost while the Grantee covers the remaining 75%.

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

The Indiana Department of Environmental Management notified representatives as identified in Appendix D-2 of the national consent decree via email in March of 2018.

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):

Not applicable to this specific project.

Attachment B Details

Project Schedule and Milestones:

| | |
|---|---|
| Indiana announces Round 1 – Onroad and Nonroad funding opportunity via online Request for Proposals (RFP) | April 22, 2019 |
| Deadline for Round 1 – Onroad and Nonroad program applications | June 17, 2019 |
| Indiana notifies applicants of award decisions | August 12, 2019 |
| Funding Agreement between Indiana and Grantee is fully executed | August 30, 2019 |
| Grantee project implementation | August 30, 2019 to December 31, 2020 |
| Indiana reviews programmatic, financial, and vehicle scrappage materials for compliance with Appendix D-2 of the national consent decree | Ongoing |
| Indiana submits Appendix D-4 to Trustee to initiate payment to Grantee in accordance with Payee Contact and Wire Information form along with other supporting documentation | July 24, 2020 |
| Indiana coordinates with Trustee on any questions or issues that arise related to the submitted Appendix D-4 | July 24, 2020 to D-4 approval |
| Trustee responds to Indiana Appendix D-4 | Within 60 days of submittal |
| Trustee disburses payment to Grantee | Within 15 days of Appendix D-4 approval |

TOTAL Project Budget:

| Project Description | Indiana VW Mitigation Trust Grant Not to Exceed Total | Grantee Cost Share Not Less than Total | Project Total |
|---|--|---|---------------|
| The purchase, installation, operation and maintenance of eight (8) 2019 model-year, or newer, U.S. EPA emission compliant propane-powered school buses that will REPLACE eight (8) of the Grantee's model year pre-2009 existing diesel-powered school buses that will be used for the same purpose. The replacement vehicle(s) will be located and primarily operated in-and-around Franklin, Indiana. | \$226,667 | \$680,000 | \$906,667 |
| Percentage | 25% | 75% | 100% |

State of Indiana Total Trust Allocation:

| | |
|--|-----------------|
| 1) State of Indiana's Total Trust Allocation | \$40,935,880.59 |
| 2) Obligated Awards from Previous D-4 Submittals | \$1,629,731.00 |
| 3) State of Indiana's Net Remaining Allocation Prior to this D-4 Submittal | \$39,306,149.59 |
| 4) Current D-4 Funding Request Total | \$85,00.00 |
| 5) State of Indiana's Remaining Allocation After this D-4 Submittal | \$39,221,149.59 |

Projected Allocation Totals per Project Type:

| | Total per Category | Annually Based on Expected Project Reimbursements |
|--|---------------------------|--|
| Total Trust | \$40,935,880.59 | NA |
| To EV (15%) over 3 years (2021 to 2023) | \$6,140,382.09 | \$2,046,794.03 |
| To Admin (3%) over 4 years (2020 to 2023) | \$1,228,076.42 | \$307,019.11 |
| To EMAs (82%) over 3 years (2020 to 2022) | \$33,567,422.08 | \$11,189,140.69 |

Projected Trust Allocations:

| | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|----------------|
| 1) Anticipated Annual Project Funding Request to be paid through the Trust | \$11,189,140.69 | \$13,235,934.72 | \$13,235,934.72 | \$2,046,794.03 |
| 2) Anticipated Annual Cost Share (Administrative Costs) | \$307,019.11 | \$307,019.11 | \$307,019.11 | \$307,019.11 |
| 3) Anticipated Total Project Funding by Year (Line 1 + Line 2) | \$11,496,159.80 | \$13,542,953.83 | \$13,542,953.83 | \$2,353,813.14 |
| 4) Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation | \$1,629,731.00 | | | |
| 5) Current Beneficiary Project Funding to be paid through the Trust (Line 1) | \$85,000.00 | | | |
| 6) Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (Line 4 + Line 5) | \$1,714,731.00 | | | |
| 7) Beneficiary Share of Estimated Funds Remaining in Trust at Beginning of Year | \$40,935,880.59 | | | |
| 8) Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (Line 7 – Line 6) | \$39,221,149.59 | | | |

Attachment C Details

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

The Indiana Department of Environmental Management (IDEM) is committed to meet the reporting requirements as detailed in Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries. Specifically, this subparagraph states:

“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.”

IDEM will meet these obligations in coordination with our project partners. Project partners are obligated to provide IDEM the necessary information for reports to the Trustee through the Funding Agreements between IDEM and each project partner. This language states:

“4. Implementation and Reporting Requirements

A. The Grantee shall implement and complete the Project in accordance with **Attachment A** and the plans and specifications contained in its Funding Application. Modification of the Project shall require prior written approval from IDEM. If IDEM determines that the Grantee is not making adequate progress in implementation of the approved Project in accordance with **Attachment A**, IDEM may rescind the award.

B. The Grantee shall submit to IDEM written progress reports until the completion of the Project. These reports shall be submitted in accordance with the reporting schedule contained in **Attachment C** and shall contain such detail of progress or performance on the Project as is required under the terms of the Volkswagen Diesel Emissions Environmental Mitigation Trust. If additional documentation is required for IDEM to meet reporting obligations under the Volkswagen Diesel Emissions Environmental Mitigation Trust, IDEM may request such documentation as necessary at any time during the term of this Agreement.”

Attachment D Details

Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6):

Detailed in the following pages:

Franklin Community Schools Invoice

Billing to:

Mr. Shawn M. Seals
 Senior Environmental Manager
 Indiana Department of Environmental Management
 Office of Air Quality – Mail Code 61-50
 100 North Senate Avenue
 Indianapolis, IN 46204-225

Invoice Number 1001
Invoice Date June 9, 2020
Due Date July 9, 2020

RE: 2019 Indiana VW Settlement for Franklin Community Schools

| Date | Description | Amount |
|----------------------|---|--------------------|
| 9/9/2019 | Replacement Propane Buses Paid check # 3759 3 @ \$113,333.33 each bus | \$339,999.99 |
| 9/9/2019 | Cost covered by Franklin Comm. Schools per VW Grant (75% of total cost) | -\$254,999.99 |
| 6/9/2020 | Amount requested from VW/IDEM (25% of TTL cost) | |
| Invoice Total | | \$85,000.00 |



**Please remit payment to: Franklin Community Schools
 Attn: Transportation
 750 E St Rd 44
 Franklin, IN 46131**



REMIT TO: **MacAllister Machinery**
Dept. 78731
P.O. Box 78000
Detroit, MI 48278-0731

MACALLISTER MACHINERY Ph 317-591-9100
 8800 BROOKVILLE RD
 INDIANAPOLIS IN 46239

Account Number: 2762000
CUSTOMER ORIGINAL INVOICE

SOLD TO
 FRANKLIN COMMUNITY SCHOOLS
 998 GRISSLEY CUB DR
 FRANKLIN IN 46131

| INVOICE NUMBER | INVOICE DATE | ORDER NUMBER | CUSTOMER PO NUMBER | PAGE |
|-----------------|--------------|-----------------|--------------------|-----------|
| BUS-SLS-1711480 | 08/05/2019 | BUS-SLS-1711480 | 2251900023 | 1/1 |
| QTY | ITEM | DESCRIPTION | UNIT PRICE | EXTENSION |

SEGMENT 1 / NEW BUS SALE

EQUIPMENT

| | | | |
|---|--|------------|------------|
| 1 | BUS-BLUE BIRD SB-CONV-P (B) SN:1BAKJCBA0MF369080 ID#:F507666 | 113,333.33 | 113,333.33 |
| 1 | BUS-BLUE BIRD SB-CONV-P (B) SN:1BAKJCBA2MF369081 ID#:F507667 | 113,333.33 | 113,333.33 |
| 1 | BUS-BLUE BIRD SB-CONV-P (B) SN:1BAKJCBA4MF369082 ID#:F507668 | 113,333.33 | 113,333.33 |

SEGMENT TOTAL 339,999.99

SUBTOTAL BEFORE TAXES

NON-TAX INDIANA RESALE 339,999.99

0.00

PAYMENT TERMS

A monthly Finance Charge of 1.00% (12% APR) will be added on all past due amounts. Title to goods remains with the seller until full payment is received.

| | |
|-----------------|-------------------|
| CREDIT AMOUNT | |
| DO NOT PAY | |
| PAY THIS AMOUNT | 339,999.99 |

3759

FRANKLIN COMMUNITY SCHOOL CORP
998 GRIZZLY CUB DRIVE
FRANKLIN, IN 46131

Check Date 09/09/2019
Check Amount \$339,999.99

**Three Hundred Thirty-Nine Thousand Nine Hundred Ninety-Nine Dollars & 99 Cents
ApprNo 2740000\$ 339999.99

Tim Gross

To the Order Of: MACALLISTER MACHINERY CO, INC
8800 BROOKVILLE ROAD
INDIANAPOLIS, IN 46239

⑈003759⑈ ⑆042200910⑆

5439647⑈