

**South Dakota  
DERA 2021/2022  
SD-C10-003  
APPENDIX D-4  
Beneficiary Eligible Mitigation Action Certification**

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

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Beneficiary \_\_\_\_\_

Lead Agency Authorized to Act on Behalf of the Beneficiary \_\_\_\_\_  
*(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)*

<b>Action Title:</b>	
<b>Beneficiary's Project ID:</b>	
<b>Funding Request No.</b>	<i>(sequential)</i>
<b>Request Type:</b> (select one or more)	<input type="checkbox"/> Reimbursement <span style="margin-left: 200px;"><input type="checkbox"/> Advance</span> <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to:</b> (select one or more)	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
<b>Funding Request &amp; Direction (Attachment A)</b>	<input type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

### SUMMARY

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

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).

**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.]

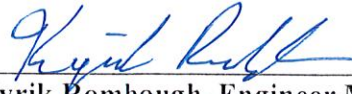
**CERTIFICATIONS**

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

1. This application is submitted on behalf of Beneficiary \_\_\_\_\_, 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: 4-4-2022

  
\_\_\_\_\_  
Kyrik Rombough, Engineer Manager III

SD DANR

\_\_\_\_\_  
[LEAD AGENCY]

for

State of South Dakota

\_\_\_\_\_  
[BENEFICIARY]

## ATTACHMENT B - PROJECT MANAGEMENT PLAN

### TIMELINE

<b>Date</b>	<b>Activity</b>
November 1, 2021	Call for Round 14 Projects Opens
December 10, 2021	Call for Round 14 Projects Deadline
December 13, 2021 - January 7, 2022	Evaluate Select Round 14 Projects
January 14, 2022	Post Round 14 Selected Projects List. Recipients are shown under the 'Information on Oct 2021 - Sep 2023 Grant Period' tab. Email rebate agreements to selected applicant
January 2022 - April 2022	Recipients will order buses and email DENR copies of purchase orders.
September 2022	Deadline for all invoices and paperwork to be submitted to DENR for Round 14

**PROJECTED VW TRUST ALLOCATIONS**

SD's VW Trust Allocation	\$8,125,000
Current Allocation of Trust for Category 2/10 Bus Projects (35-45%)	\$2,843,750 to \$3,656,250
Anticipated Category 10 Trust Funds Used for 2021/2022 DERA Project	\$338,014
Anticipated VW Administrative Funds Used for 2019/2020 DERA Project *	\$8,450 to \$33,801
Funds requested for previous Category 2/10 Bus Projects	\$1,404,096
Remaining Trust Funds Allocated for Category 2/10 Bus Projects	\$1,101,640 to \$1,914,140

\* Subject to 2.5 - 10% administrative cap in Beneficiary Mitigation Plan.

**PROJECT BUDGET OVERVIEW**

	<b>Oct 2021 - Sep 2023</b>
EPA Base Allocation	\$338,014
State Matching Funds (VW Category 10 Trust Funds)	\$338,014
EPA Match Incentive	\$169,007
VW Administrative *	\$8,450 to \$33,801
Mandatory Cost-Share of Buses	65-75% of bus

\* Subject to 2.5 - 10% administrative cap in Beneficiary Mitigation Plan.

**ITEMIZED PROJECT BUDGET**

Budget Category	Oct 2021 – Sep 2023		
	EPA Allocation	VW Category 10	VW Administration
1. Buses	\$456,319	\$338,014	\$0
2. Administration	\$50,702	\$0	\$16,900
<b>SD-C10-001 TOTAL</b>	\$507,021	\$338,014	\$16,900

## ATTACHMENT C – PLAN FOR REPORTING

**Beneficiary 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 at <https://www.vwenvironmentalmitigationtrust.com/state-trust/south-dakota>.

**ATTACHMENT D – DETAILED COST ESTIMATES**

Round 14

Recipient	Quote	%	Max Award
Harlow's School Bus Service/1295	\$83,527.00	25%	\$20,881.75
Kadoka Area School District/9113	\$95,700.00	25%	\$23,925.00
Douglas School District/7720	\$98,111.00	25%	\$24,527.75
Harlow's School Bus Service/8835	\$83,527.00	25%	\$20,881.75
Lake Preston School	\$98,425.00	25%	\$24,606.25
Douglas School District/7486	\$98,111.00	25%	\$24,527.75
Kadoka Area School District/2701	\$101,600.00	25%	\$25,400.00
Alcester-Hudson School District	\$92,500.00	25%	\$23,125.00
Groton Area School District	\$100,540.00	25%	\$25,135.00
Britton Hecla School	\$98,785.00	25%	\$24,696.25
Ethan School District	\$102,820.00	25%	\$25,705.00
Arlington School District	\$95,661.21	25%	\$23,915.30
Northwestern Area School District	\$95,185.00	25%	\$23,796.25
Elkton School District	\$102,500.00	25%	\$25,625.00
Gayville-Volin School District	\$100,361.00	35%	\$35,126.35
Rutland School District	\$99,950.00	25%	\$24,987.50
Beresford School District	\$105,422.00	25%	\$26,355.50
Lennox School District	\$99,507.00	35%	\$34,827.45
Madison Central School	\$101,468.00	35%	\$35,513.80
School Bus Inc	\$106,857.00	25%	\$26,714.25
Yankton School District/9104	\$101,260.00	35%	\$35,441.00
Yankton School District/0947	\$101,260.00	35%	\$35,441.00
Harrisburg School District	\$99,881.00	35%	\$34,958.35
Huron School District	\$112,225.00	25%	\$28,056.25
K&D Busing/5120	\$96,550.00	25%	\$24,137.50
Huron School District	\$107,540.00	25%	\$26,885.00
K&D Busing/3148	\$96,990.00	25%	\$24,247.50



## **2021 Diesel Emissions Reduction Act (DERA) State Grants**

### **Work Plan and Budget Narrative Template**

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INSTRUCTIONS: States and territories applying for 2021 DERA State Grants should use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2021 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

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### **SUMMARY PAGE**

**Project Title: State Clean Diesel Grant Program Funding FY 2021**

#### **Project Manager and Contact Information**

**Organization Name:** South Dakota Department of Agriculture and Natural Resources, Air Quality Program

**Project Manager:** Barb Regynski

**Mailing Address:** 523 E Capitol, Pierre, SD 57501

**Phone:** 1-605-773-3151

**Fax:** 1-605-773-4068

**Email:** barb.regynski@state.sd.us

#### **Project Budget Overview:**

	<b>2021</b>
EPA Base Allocation	\$338,014
EPA Match Bonus (if applicable)	\$169,007
Voluntary Matching Funds (if applicable)	\$338,014
Mandatory Cost-Share	\$2,342,400
<b>TOTAL Project Cost</b>	<b>\$3,187,435</b>

#### **Project Period**

October 1, 2021 – September 30, 2023

## **Summary Statement**

The South Dakota program will provide rebates for diesel bus replacement. The primary focus will be on school buses with any extra funds used for transit systems.

The state will use the grant money to provide a rebate program to help purchase new buses to replace old, high-emitting diesel buses. We estimate to replace 32 buses with FY 2021 funds.

Total rebate per replacement bus will be up to 25% of the purchase price of an EMY 2020 or newer engine certified to EPA emission standards, 35% of the purchase price of an EMY 2020 or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of an EMY 2020 or newer, zero tailpipe emissions replacement bus. Funds must be used to pay for the replacement of old diesel buses. Recipients may not use funds to pay for administrative expenses. DANR intends to participate with as many eligible entities throughout the state of South Dakota as possible. The completed applications will be reviewed by DANR. DANR will develop a ranking system to determine which applicants receive rebates.

Information about the South Dakota Clean Diesel Grant Program can be found at:

<https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx>

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## **SCOPE OF WORK**

### **STATE/TERRITORY GOALS AND PRIORITIES:**

While South Dakota's air quality is cleaner than many states and currently in attainment with all NAAQS standards, reducing emissions from diesel engines is one of the most important air quality challenges facing the country. The South Dakota rebate program will provide funding for vehicle replacement. The primary focus will be on school buses, with any excess funding being available to transit buses. South Dakota's program objectives are to reduce emissions and childhood exposure to harmful diesel exhaust, while maximizing school budgets. Below is the 2017 National Emissions Inventory Pollutant Summary for South Dakota's Mobile Diesel Fleet.

School buses, like all diesel-powered vehicles, pollute the air with harmful gases and particles. Replacing older buses can decrease the amount of harmful pollution generated, helping to reduce the risk of asthma attacks, respiratory problems, and other diseases. This is especially important for children whose developing lungs are particularly susceptible to diesel exhaust's damaging health effects.

## 2017 National Emissions Inventory Pollutant Summary for South Dakota's Mobile Diesel Fleet

SECTOR	STATE	STATE_FIPS	POLLUTANT	POLLUTANT TYPE	EMISSIONS	UNIT OF MEASURE
Mobile - Non-Road Equipment - Diesel	SD	46	Nitrogen Oxides	CAP	13597.54019143176	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	Nitrogen Oxides	CAP	7144.64661423	TON
Mobile - Non-Road Equipment - Diesel	SD	46	Carbon Monoxide	CAP	6364.63689842595	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	Carbon Monoxide	CAP	2924.173024608	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	Carbon Monoxide	CAP	2035.342647444	TON
Mobile - Non-Road Equipment - Diesel	SD	46	PM10 Primary (Filt + Cond)	CAP	1095.1288303691853	TON
Mobile - Non-Road Equipment - Diesel	SD	46	PM2.5 Primary (Filt + Cond)	CAP	1062.2747664551853	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	Nitrogen Oxides	CAP	1055.1209900959	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	PM10 Primary (Filt + Cond)	CAP	370.0927425121	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	PM2.5 Primary (Filt + Cond)	CAP	261.4141984904	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	PM10 Primary (Filt + Cond)	CAP	55.92345457457	TON
Mobile - Non-Road Equipment - Diesel	SD	46	Remaining PMFINE portion of PM2.5-PRI		52.1813741402058522148	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	PM2.5 Primary (Filt + Cond)	CAP	42.37739558668	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	Remaining PMFINE portion of PM2.5-PRI		29.89910981102	TON
Mobile - Non-Road Equipment - Diesel	SD	46	Sulfur Dioxide	CAP	17.91780089629	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	46	Sulfur Dioxide	CAP	16.472074969194	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	Remaining PMFINE portion of PM2.5-PRI		3.207732341723	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	46	Sulfur Dioxide	CAP	2.654058352021	TON

### VEHICLES AND TECHNOLOGIES:

DANR will provide a rebate for the incremental cost of a newer, cleaner bus up to 25% of the purchase price of an EMY 2020 or newer engine certified to EPA emission standards, 35% of the purchase price of an EMY 2020 or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of an EMY or newer, zero tailpipe emissions replacement vehicle.

For replacements, the engine being replaced must be scrapped or rendered permanently disabled. Drilling a three-inch hole in the engine block and disabling the chassis is the preferred scrapping method. The replacement vehicle must not be in a larger weight class than the existing vehicle.

No funds used under this program shall be used to cover expenses incurred prior to the project period set forth in any assistance agreement. Projects may include the diesel emissions source types defined below:

School Buses	Includes diesel powered school buses of Type A, B, C and D. To be eligible as a school bus a vehicle should meet the definition of a school bus as defined by the National Highway Transportation Safety Administration. This definition includes but is not limited to: 1) A bus that is used for purposes that included carrying students to and from school or related events on a regular basis; 2) Be identified with the words “School Bus”; and 3) Be painted National School Bus Glossy Yellow.
Transit Buses	Includes Class 5+ diesel powered medium-duty and heavy-duty transit buses. Gross vehicle weight rating (GVWR) as defined below: Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 -26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over)

Projects must include bus replacement. Buses can be replaced with newer, cleaner vehicles. Eligible replacement vehicles include those powered by diesel or clean alternative fuel engines (including gasoline), hybrid engines, and zero tailpipe emissions power sources.

To be eligible for funding, vehicles must be powered by engines certified by EPA and, if applicable, CARB emission standards. Zero tailpipe emissions vehicles and equipment do not require EPA or CARB certification. EPA’s annual certification data for vehicles, engines, and equipment may be found at: <https://www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment>. EPA’s engine emission standards may be found at: <https://www.epa.gov/emission-standards-reference-guide/all-epa-emission-standards>. Engines certified by CARB may be found by searching CARB’s Executive Orders for Heavy-duty Engines and Vehicles, found at: <https://www.arb.ca.gov/msprog/onroad/cert/cert.php> Please see the Low-NOx Engine Factsheet found at <https://www.epa.gov/dera/state> for guidance on identifying engines certified to meet CARB’s Optional Low NOx Standards.

Existing engines and new vehicles must meet the eligibility criteria defined below to be eligible for funding. No buses being replaced may be engine model year 2010 or newer, except if replacing with an EMY2020+ zero tailpipe emission or CARB low-NOx replacement vehicle.

<b>Transit Bus and School Bus Current Engine Model Year (EMY)</b>	<b>Vehicle Replacement: EMY 2020+</b>	<b>Vehicle: EMY 2020+ Zero Emission or Low-NOx 1</b>
older -2006	Yes	Yes
2007 -2009	Yes	Yes
2010 -newer	No	Yes

1 Please see the Low-NOx Engine Factsheet found at <https://www.epa.gov/dera/state> for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards.

Eligible project costs include the purchase price of eligible vehicles as defined above. These costs are subject to the mandatory cost share requirements.

Eligible costs for battery electric powered vehicle replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements. **Ineligible costs** include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Below are the ownership, usage and remaining life requirements:

1. The existing vehicle must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to be operational.
2. The participating fleet owner must currently own and operate the existing vehicle and have owned and operated the vehicle during the two years prior to upgrade.
3. The existing vehicle must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.
4. Highway Usage: The mileage of multiple units may be combined to reach the thresholds below where those units will be scrapped and replaced with a single unit.
  - a. School Buses: To be eligible for funding, the existing vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade, or during calendar year (Jan-Dec) 2019.
  - b. All Other Highway Engines: To be eligible for funding, the existing vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade.
5. Documentation Requirements: Participating fleet owners must attest to each criterion in 1-4 above in a signed eligibility statement which includes each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle registration/licensing number and state. A sample eligibility statement may be found at <https://www.epa.gov/dera/state>.

## **ROLES AND RESPONSIBILITIES:**

DANR will make an announcement in the Department of Education's "Education Online" newsletter and email letters to all public-school districts in South Dakota and possibly others to promote the rebate opportunity. DANR developed a website to provide information about the program.

Applicants for bus replacement will be chosen according to the Programmatic Priorities and an evaluation process. This process will include but is not limited to the following evaluation points.

1. Number of buses previously received
2. Ownership: publicly owned, privately owned non-profit, or privately owned for-profit
3. Age of vehicle

DANR will evaluate the applications, determine the recipients for bus replacement rebates, and enter into an agreement with the recipients. The recipients will be required to verify that the old engines or vehicles being replaced were scrapped or rendered permanently disabled with photographs.

## **TIMELINE AND MILESTONES:**

1st and 2nd quarters of grant period:

- Begin the process of soliciting applicants.
- Accept applications for bus replacement rebates.
- Evaluate applicants.
- Select rebate recipients and finalize agreements.

3rd and 4th quarters of grant period:

- Selected recipients order replacement buses.
- Selected recipients scrap old buses.
- Finalize all required paperwork

## **DERA PROGRAMMATIC PRIORITIES:**

The principal objective of the rebate program is to achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure from buses by following the programmatic priorities as defined in Section VIII.G of the Program Guide.

1. The program will be offered though out the state since South Dakota does not have any nonattainment areas, maintenance areas, or counties where the modeled ambient diesel PM concentration from the 2014 National Air Toxics Assessment is above the 80<sup>th</sup> percentile for census tracts nationwide.
2. The projects targeted diesel emissions reductions are located at bus stops and schools.

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

Pursuant to Section 6a of EPA Order 5700.7, "Environmental Results under EPA Assistance Agreements," EPA must link proposed assistance agreements with the Agency's Strategic Plan. EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements.

### **1. Linkage to EPA Strategic Plan:**

This proposal supports progress towards EPA's FY 2018-22 Strategic Plan. Awards made under this announcement will support Goal 1, "A Cleaner, Healthier Environment" Objective 1.1, "Improve Air Quality." Under this objective, EPA will "Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency's core mission." Specifically, the proposed activities will reduce emissions from diesel fleets, thereby reducing local and regional air pollution of criteria pollutants and air toxics. The school bus replacements must be powered by a EMY 2020 engine model year or newer certified engine or new, zero tailpipe emissions replacement bus. This investment has a potentially large payoff for the public good, particularly for our children.

**2. Outputs:** Expected outputs from the projects to be funded under this Program include, but are not limited to:

- Number of replaced buses: We estimate to replace 32 buses with FY 2021 funds
- Dissemination of project technology information via websites
- Quarterly and final reports

**3. Outcomes:** Expected outcomes from the projects to be funded under this Program include, but are not limited to:

- Tons of pollution reduced annually and over the lifetime of the vehicles, specifically:
  - fine particulate matter (PM<sub>2.5</sub>),
  - nitrogen oxides (NO<sub>x</sub>),
  - carbon monoxide (CO) and/or carbon dioxide (CO<sub>2</sub>),
  - volatile organic compounds (VOCs).

Below are the estimated project summary results using the Diesel Emissions Quantifier. For the FY 2021, a fleet of thirty-two EMY 2000 diesel school buses was used, with all thirty-two being replaced in 2021 with diesel school buses with 2020 technology. The default values for school buses were used as inputs.

2021 Estimated Project Summary Emissions Results  
 Here are the results for the project.<sup>1</sup>

<i>Annual Results (short tons)<sup>2</sup></i>	<b>NO<sub>x</sub></b>	<b>PM2.5</b>	<b>HC</b>	<b>CO</b>	<b>CO<sub>2</sub></b>	<b>Fuel<sup>3</sup></b>
Baseline for Upgraded Vehicles/Engines	4.019	0.281	0.793	1.891	489.6	43,520
Amount Reduced After Upgrades	3.697	0.276	0.758	1.757	0.0	0
Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%

<i>Lifetime Results (short tons)<sup>2</sup></i>	<b>NO<sub>x</sub></b>	<b>PM2.5</b>	<b>HC</b>	<b>CO</b>	<b>CO<sub>2</sub></b>	<b>Fuel<sup>3</sup></b>
Baseline for Upgraded Vehicles/Engines	16.075	1.126	3.173	7.564	1,958.4	174,080
Amount Reduced After Upgrades	14.789	1.106	3.031	7.027	0.0	0
Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%

<sup>1</sup> Emissions from the electrical grid are not included in the results.

<sup>2</sup> 1 short ton = 2000 lbs.

<sup>3</sup> In gallons; fuels other than ULSD have been converted to ULSD-equivalent gallons.

- Benefits to the communities affected by the project, including improvements to human health and the environment, the local economy, social conditions, and the welfare of residents in such communities.
  - An increased understanding of the environmental or economic effectiveness of the implemented technology; dissemination of the increased knowledge via the website.
  - Reduced diesel pollution emissions near schools and bus stop areas for children.
  - Improved ambient air quality
  - Reduced impacts to school aged children.
    - Reduced number of children with asthma.

**SUSTAINABILITY OF THE PROGRAM:**

DANR will provide public notification that lists project information on the State website within 60 days of a grant. Website postings will include the total number and dollar amount of rebates, as well as a breakdown of the technologies funded. This information will help encourage other schools to implement these solutions by showing successful demonstrations.

South Dakota plans to implement the Clean Diesel Program as long as federal dollars are available to fund the program and will continue to use VW Trust Funds as match to complete activities that will reduce the air pollution levels caused by diesel engines. The recipients will maximize the useful life of any certified engine configuration or verified technology used by following their bus maintenance plans.



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**BUDGET NARRATIVE**

**2021 Itemized Project Budget**

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	\$27,394	\$0	\$18,262	\$0	\$45,656
2. Fringe Benefits	\$6,848	\$0	\$4,566	\$0	\$11,414
3. Travel	\$0	\$0	\$0	\$0	\$0
4. Equipment	\$0	\$0	\$0	\$0	\$0
5. Supplies	\$0	\$0	\$0	\$0	\$0
6. Contractual	\$738	\$0	\$492	\$0	\$1,230
7. Other	\$468,480	\$2,342,400	\$312,320	\$0	\$3,123,200
<b>8. Total Direct Charges (sum 1-7)</b>	\$503,460	\$2,342,400	\$335,640	\$0	\$3,181,500
9. Indirect Charges	\$3,561	\$0	\$2,374	\$0	\$5,935
<b>10. Total (Indirect + Direct)</b>	\$507,021	\$2,342,400	\$338,014	\$0	\$3,187,435
11. Program Income	\$0	\$0	\$0	\$0	\$0

**Explanation of Budget Framework**

1. Personnel - A project manager will oversee the program. For FY 2021, the project manager will spend approximately 40% of the time on the project or 832 hrs/yr at an average salary of \$38/hr and the administrator will spend approximately 15% of the time on the project or 312 hrs/yr at an average salary of \$45/hr. The following table summarizes personnel cost for the project period:

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Project Manager @ \$38/hr x 832 hrs = \$31,616/yr	\$18,970	\$12,646
Administrator @ \$45/hr x 312 hrs = \$14,040/yr	\$8,424	\$5,616
<b>TOTAL = \$45,656/yr</b>	<b>\$27,394</b>	<b>\$18,262</b>

2. Fringe Benefits - For FY 2021, fringe benefit costs are approximately 25% of the personnel salary.

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Fringe Benefits @ \$45,656 X 25% = \$11,414/yr	\$6,848	\$4,566

3. Travel - DANR does not anticipate any travel during this project period.
4. Equipment - DANR does not anticipate purchasing any equipment during this project period.
5. Supplies - DANR does not anticipate purchasing any supplies during this project period.
6. Contractual – For FY 2021 the contractual services consist of Bureau of Personnel and the state accounting system and will be approximately \$1,230/yr.

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Contractual \$1,230/yr	\$738	\$492

7. Other - This category will include the funds going toward the actual State rebates to eligible entities. The recipient will order and purchase the buses. After delivery, the recipient will submit a request for reimbursement, an invoice, the certification of disposal form, and photographic evidence of scrappage to DANR. A rebate will then be sent to the recipient. For FY 21, using the average price for a diesel school bus as \$97,600, the 25% rebate would be \$24,400/bus for 32 buses totaling \$780,800 and the 75% mandatory cost share would be \$73,200/bus for 32 buses totaling \$2,342,400.

Budget Category	EPA Allocation	Voluntary Match (if applicable)	Mandatory Cost Share
2021 bus price of \$97,600 X 32 buses = \$3,123,200	\$468,480	\$312,320	\$2,342,400

8. Total Direct Charges - The total amount of direct costs. (See items 1-7 above.)

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Total Direct Charges	\$503,460	\$335,640

9. Indirect Charges - Indirect costs result from allocation of a grouping of administrative costs which are not easily identified as a direct cost. The indirect cost is the personnel amount X the indirect cost rate.

Budget Category	EPA Allocation	Voluntary Match (if applicable)
FY21 \$45,656 x 13% = \$5,935	\$3,561	\$2,374

10. Total (Indirect + Direct) – (See items 8-9 above.)

11. Program Income – If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply. Program income may be used to meet the cost-sharing or matching requirement of the award, including any mandatory or voluntary cost-share. The amount of the award remains the same.

### **Administrative Costs Expense Cap**

South Dakota plans on using no more than 15% of a state's total project costs to cover administrative costs as identified in OMB Circular A-87 Appendix B (e.g. personnel, benefits, travel, supplies). Total project costs include the federal share as well as any cost-share provided by the state. The 15% maximum does not include indirect cost rates or funds assigned to projects, and total cost for the budget period.

### **Matching Funds and Cost-Share Funds**

South Dakota will use the VW C10 settlement money as voluntary match to the base amount if it is available and then it will be eligible for the bonus of 50% the base amount. The rebate recipient will order and purchase the buses. After delivery, the rebate recipient will submit a request for reimbursement, an invoice, the certification of disposal form, and disposal photos to DANR. A rebate will then be sent of not more than 25% of the purchase price of a bus with an EMY 2020 or newer certified to EPA emission standards, 35% of the purchase price of a bus with an EMY 2020 or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of an EMY 2020 or newer, zero tailpipe emissions replacement vehicle.

### **Funding Partnerships**

South Dakota intends to fund target fleets that they do not own and operate by providing **participant support costs** to a project partner as rebates.