



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY
Air Quality Division

1410 North Hilton • Boise, ID 83706 • (208) 373-0502
www.deq.idaho.gov

Brad Little, Governor
John H. Tippets, Director

October 17, 2019

Russell Crane
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A., Trustee
1100 North Market Street
Wilmington, DE 19890-0001

RE: FY2017 DERA, Project ID: 2018-01, VW Settlement Fund Semi-Annual Report, 04/09/2019 – 10/09/2019

Dear Mr. Crane:

The Idaho Department of Environmental Quality has enclosed its DERA Quarterly Programmatic Report in satisfaction of the semi-annual reporting requirement found in paragraph 5.3 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries. This report covers the six-month period following the initial disbursement of Trust Assets for the subject DERA D-4, received April 9, 2019.

Thank you for your coordination and attention to this matter. If you have any questions regarding this semi-annual report, please contact G. Michael Brown at (208) 373-0232.

This information is true and correct and this submission is made under penalty of perjury.

Sincerely,

A handwritten signature in blue ink that reads "Tiffany Floyd".

Tiffany Floyd
Air Quality Division Administrator
Idaho Department of Environmental Quality

Enclosure: EPA Quarterly Report, FY17 DERA State Grant Program, Grant DS-01J35501

**U. S. Environmental Protection Agency
State Clean Diesel Grant Program - Quarterly Report**

Grant Recipient	Idaho Dept of Environmental Quality (DEQ)
Grant #	DS-01J35501
Reporting Period	07-01-2019 to 09/30/2019

Instructions: Complete all relevant fields in this worksheet and use the other worksheets in this excel file to provide your project fleet descriptions.

WORKPLAN BUDGET	FY17
Total EPA Funds Awarded	\$340,614.00
Total Mandatory Cost-Share	\$227,076.00
Total Voluntary Matching Funds	\$150,000.00
Total Project Costs	\$717,690.00

Table 1. Rate of Expenditure. Record all funds expended for each budget category.								
	Federal Funds Expended this Reporting Period	Mandatory Cost-Share Expended this Reporting Period	Voluntary Match Expended this Reporting Period		Cumulative Federal Funds Expended	Cumulative Mandatory Cost-Share Expended	Cumulative Voluntary Match Expended	
			Mitigation Funds	Other Funds			Mitigation Funds	Other Funds
Personnel	\$0.00		\$3,564.51		\$30,159.99		\$3,564.51	
Fringe Benefits	\$0.00				\$0.00			
Travel	\$0.00				\$2,759.87			
Equipment	\$0.00				\$0.00			
Supplies	\$0.00				\$48.50			
Contractual	\$0.00				\$2,815.84			
Subawards	\$0.00				\$0.00			
Participant Support Costs (e.g., Rebates)	\$0.00				\$0.00			
Other	\$0.00				\$225.00			
Indirect Charges	\$0.00		\$1,010.89		\$9,224.32		\$1,010.89	
TOTALS	\$0.00	\$0.00	\$4,575.40	\$0.00	\$45,233.52	\$0.00	\$4,575.40	\$0.00

Table 2. Narrative Responses	
Question	Answer
What actual accomplishments occurred during the reporting period?	<ul style="list-style-type: none"> • DEQ participated in WCC Steering Committee meetings and sector calls throughout this reporting quarter. • DEQ continued coordination with DEQ contractor regarding their efforts as part of their contract to solicit participation in the DEQ's retrofit program. • DEQ coordinated with DEQ contractor to define mutually agreed upon defined time period to identify retrofit recipients, after which DEQ would begin the process of a mutually agreed contract termination. • DEQ coordinated with EPA to extend the grant period of performance to either find retrofit recipients, or focus grant monies toward a vehicle replacement in lieu of retrofitting. • DEQ coordinated with Idaho Division of Purchasing to begin contract termination related to retrofitting. • DEQ continued coordination with school districts that signed Participant Support Cost Agreements for school bus replacement, including the following school districts: Preston, South Lemhi, and Mountain View.
Did you award any rebates or subawards during the reporting period? If so, list the recipients and how much funding they received.	<ul style="list-style-type: none"> • DEQ has not awarded any rebates or subawards during the current reporting period. • DEQ has in previous reporting periods signed Participant Support Cost Agreements with Preston, South Lemhi, and Mountain View school districts to provide 25% of the cost of new school buses up to a maximum amount of \$30K each to be awarded once new school buses are purchased/received and the school bus being replaced is scrapped.
Provide a comparison of actual accomplishments with the anticipated outputs/outcomes and timelines/milestones specified in the project Work Plan.	<ul style="list-style-type: none"> • Difficulties finding retrofit recipients have continued. While technically still in compliance with proposed timelines and milestones, DEQ would have hoped to have more candidate vehicles to be retrofitted identified by now.
If anticipated outputs/outcomes and/or timelines/milestones are not met, why not? Did you encounter any problems during the reporting period which may interfere with meeting the project objectives?	<ul style="list-style-type: none"> • DEQ recognizes that potential recipients are reluctant to participate in their vehicles being modified to receive emission control retrofit devices. • Delays in identifying potential retrofit recipients may interfere with meeting project objectives.

<p>How do you propose to remedy any problems? Identify how and the date you will get back on course to meet the anticipated outputs/outcomes and/or timelines/milestones specified in the project work plan.</p>	<ul style="list-style-type: none"> • DEQ coordinated with EPA Region 10 staff to discuss options to remedy the difficulty in finding potential retrofit recipients, including project period extensions and/or to focus more effort toward vehicle replacement in lieu of vehicle retrofits. • DEQ coordinated a grant workplan revision with EPA Region 10 staff to extend the project period until 12/31/2020.
<p>If any cost-shares are reported for this Reporting Period in Table 1 above, identify the source of the funds.</p>	<ul style="list-style-type: none"> • N/A
<p>Was any program income generated during the reporting period? Identify amount of program income, how it was generated, and how the program income was/will be used.</p>	<ul style="list-style-type: none"> • No program income was generated.
<p>Did any public relations events regarding this grant take place during the reporting period?</p>	<ul style="list-style-type: none"> • DEQ did not participate in public relations "events" aside from reaching out to potential retrofit participants.
<p>What is the URL for the state website listing the total number and dollar amount of subawards, rebates, or loans provided, as well as a breakdown of the technologies funded? Please also list any other state websites used for outreach related to the State DERA Grant Program.</p>	<ul style="list-style-type: none"> • DEQ website and social media continue to provide information about the Clean Air Zone program as well as the Clean School Bus program: http://www.deq.idaho.gov/pollution-prevention/p2-for-schools/clean-air-zone-program/. • DEQ has a website associated with the VW Settlement Fund, and has been utilizing this website for outreach associated with DEQ's Diesel Emission Reduction Program and DERA Grant Program: http://www.deq.idaho.gov/vw-settlement.
<p>What project activities are planned for the next reporting period?</p>	<ul style="list-style-type: none"> • DEQ will submit a work plan revision to EPA requesting a project period extension to allow for more time to identify retrofit recipients, or to focus efforts toward eligible vehicle replacement in lieu of vehicle retrofits. • DEQ will coordinate with retrofit contractor to determine their success in aggressively identifying retrofit recipients; if success has not been found DEQ will proceed with mutually terminating the contract. • DEQ will continue to coordinate with school districts in the execution of Participant Support Cost Agreements for the purpose of replacing school buses.

Table 3. Subaward Reporting Requirements	
Requirement	Response
Summaries of results of reviews of financial and programmatic reports	N/A
Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance	N/A
Environmental results the subrecipient achieved	N/A
Summaries of audit findings and related pass-through entity management decisions	N/A
Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.207 and the 2 CFR Part 200.338 Remedies for Noncompliance	N/A