

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary North Dakota

Lead Agency Authorized to Act on Behalf of the Beneficiary NDDEQ, Division of Air Quality
(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:	VW Draw 2
Beneficiary's Project ID:	EQ1256
Funding Request No.	<i>(sequential)</i> 2
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>Category 6</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 Attachment	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attachment	
Estimate of Anticipated NOx Reductions (5.2.3): See 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): North Dakota Department of Environmental Quality, Division of Air Quality	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). All documentation will be posted on North Dakota's Air Quality website (https://deq.nd.gov/AQ/planning/VW.aspx)	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). For all replacement and repower projects, the NDDEQ plans to reimburse at 50% of the rates listed in Appendix D-2 of the Environmental Mitigation Trust Agreement (e.g. if "up to 100%" is allowed by the trust agreement, 50% will be the reimbursement rate).	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	
Emails were sent to the National Park Service, the U.S. Fish and Wildlife Services, and the Forest Service on February 15, 2018. Letters were sent to the U.S. Army Corps of Engineers on February 21, 2018. (See Attachments)	

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 Attachment

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 North Dakota, 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

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

The primary goal of North Dakota’s Beneficiary Mitigation Plan is to reduce NO_x emissions. The transition to new, and therefore cleaner, diesel powered vehicles is one means of reducing NO_x emissions in the state of North Dakota. In addition, under North Dakota’s listing of the Eligible Mitigation Actions, North Dakota estimates that between 25 and 50% of eligible mitigation funds will be spent on Class 4-7 Eligible Medium Trucks (Category 6).

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

As the beneficiary, the NDDEQ, Division of Air Quality personnel held multiple public comment periods and public meetings to hear what the citizens of North Dakota would prefer North Dakota’s portion of the settlement funds be spent on. There was interest in both vehicle replacements and expanding the charging station network. The current proposed mitigation action plans to partially fund the replacement of a 2003 woodchipper truck with a new woodchipper truck, which will reduce NO_x emissions and improve the air quality in Bismarck.

Estimate of Anticipated NO_x Reductions:

The Environmental Protection Agency’s Diesel Emissions Quantifier was used to determine emission reductions from the replacement of the 2003 woodchipper truck with a 2020 wood-chipper truck. The following lifetime emission reductions were determined:

Pollutant	NO _x (tons)	PM _{2.5} (tons)	HC (tons)	CO (tons)
Lifetime Tons of Pollution Reduced	0.023	0.003	0.004	0.015

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

As is described in North Dakota’s Beneficiary Mitigation Plan, there are no areas in North Dakota that have been designated as nonattainment for any State or Federal ambient air quality standards. Therefore, North Dakota did not request that applications be submitted for specific regions within the state. Instead, North Dakota worked to spread the vehicle replacements across the state in a manner that will provide the greatest benefit to all North Dakota residents. Therefore, emissions reductions will be spread across the state.

ATTACHMENT B

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Request for proposals announced	September 9, 2019
Request for proposal closing – application deadline	October 25, 2019
NDDEQ, Division of Air Quality selects potential grant recipients from eligible application pool and mails out grant agreements	October – December 2019
NDDEQ, Division of Air Quality submits funding request to Trustee – Appendix D-4: Beneficiary Eligible Mitigation Action Certification including Attachments	March 2020
Trustee acknowledges receipt of funding request	Receipt from Trustee
Trustee allocates share of state funds	Transfer Date
Grant agreements signed with selected entities	CY 2020, Q1
Grantee provides proof of scrappage, invoices, and other documents required for reimbursement	CY 2020, Q2 – CY 2022, Q1
NDDEQ, Division of Air Quality reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	CY 2020, Q2 – CY 2022, Q2
NDDEQ, Division of Air Quality reports to the Trustee on the status of and expenditures with Mitigation Actions completed and underway	Within 6 months of first disbursement; January 30 and July 30 thereafter

PROJECT BUDGET

Budget Category	Total Project Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, Paid by Vehicle Owners
1. Equipment Expenditure	\$130,500	\$65,250	\$65,250
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with Approved funding ceilings)</i>	\$0	\$0	\$0
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0
4. Administrative ¹	\$0	\$0	\$0
Project Totals	\$130,500	\$65,250	\$65,250
Percentage	100%	50%	50%

¹ Subject to Appendix D-2 15% administrative cap.

PROJECTED TRUST ALLOCATIONS:

	2020
1. Anticipated Annual Project Funding Request to be paid through the Trust (Category 6)	\$65,250
2. Anticipated Annual Cost Share	\$65,250
3. Anticipated Total Project Funding by Year (Line 1 plus Line 2)	\$130,500
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0
5. Current Beneficiary Project Funding to be paid through the Trust (Line 1)	\$65,250
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (Line 4 plus Line 5)	\$65,250
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$6,906,250
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (Line 7 minus Line 5)	\$6,841,000

ATTACHMENT C

DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The North Dakota Department of Environmental Quality, Division of Air Quality (NDDEQ) will provide detailed reporting on the Volkswagen Environmental Mitigation Trust in two ways:

- 1) Timely updates to the NDDEQ's Volkswagen Settlement webpage (<https://deq.nd.gov/AQ/planning/VW.aspx>)
- 2) North Dakota's semiannual reporting obligation to Wilmington Trust (the Trustee).

North Dakota maintains a website for the North Dakota Department of Environmental Quality, which is meant to keep the public informed about topics of interest. The Air Quality Division, which is the lead agency acting on behalf of the beneficiary, maintains a Volkswagen Settlement website, which is updated periodically with information about the Division of Air Quality's progress on use of the Settlement funds. The Division of Air Quality plans to use this website to provide updates as part of our reporting requirements and to keep the public informed of our progress.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details North Dakota'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 1 and July 1 of each year, each Beneficiary shall serve upon 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 subparagraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the Trust's public-facing website upon receipt."

In North Dakota's semiannual reporting, following the Trustee's approval of this project, the Division of Air Quality will describe the progress of implementing the Category 6 eligible mitigation action. The semiannual report will include a summary of all costs expended on the Category 6 eligible mitigation action, in addition to any other eligible mitigation actions, which are also funded through the reporting date. The report will also include a complete description of the status, development, implementation, and any modification to any eligible mitigation actions.

ATTACHMENT D

DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000 (5.2.6).

North Dakota's application for vehicle replacements and repowers required that cost estimate(s) or vendor bid(s) be submitted with the application.

The following table details the vehicle replacement(s) applied for and the expected cost of each vehicle replacement.

Application Number	Vehicle Type	Number of Vehicles	Cost Estimate Provided	Total Award Offered
9	Woodchipper Truck	1	\$130,500	\$65,250

Documentation of the provided cost estimates are also included as part of Attachment D.

William Hutchings

From: Jeff Heintz
Sent: Thursday, October 24, 2019 11:56 AM
To: William Hutchings
Subject: Fwd: VW Grant Fleet Request

Will,
Here is Kurt's email related to our VW grant.

Get [Outlook for Android](#)

From: Kurt Ohnell <kohnell@bismarcknd.gov>
Sent: Thursday, October 24, 2019 11:02:50 AM
To: Jeff Heintz <jheintz@bismarcknd.gov>
Subject: VW Grant Fleet Request

Jeff,

The Dollar value estimates for the items we submitted for the VW Grant were determined through quotes and estimates in the later part of the first quarter of 2019 during the budget projection process.

To determine these estimated values I applied a number of factors:

- Projected costs from vendors
- Current costs on State Bid items
- Past costs of equipment while applying a percentage growth factor of 3% annually

One Ton Pickup with Dump Body : \$58,000.00

State Bid for a chassis Est cost \$43,000.00
Previous quote from vendor for box install with a percentage increase \$15,000.00

Rear Load Refuge Truck: \$198,000.00

Quote from a vendor \$194,000.00
Based on previous purchases with annual percentage increase \$199,000.00

Single Axle Chassis with Forestry Chipper Body : \$130,500.00

Quote from State Bid for the Chassis \$84,000.00
Quote from a vendor for purchase and install of box \$46,500.00

Tandem Axle Chassis with Dump Body: \$130,500.00

Quote from State Bid for the Chassis \$88,000.00
Quote from a vendor for purchase and install of box \$42,500.00

Again, these are estimates of projected costs.
Percentage of increase is an industry standard, but it does not reflect the potential cost increases / decreases in raw materials

Thanks and let me know if I can help with anything more.

Kurt Ohnell

Fleet Manager
City Of Bismarck
701-355-1711

Hinnenkamp, Keith D.

From: Hinnenkamp, Keith D.
Sent: Thursday, February 15, 2018 11:04 AM
To: 'vwsettlement@nps.gov'
Subject: Section 4.2.8 Volkswagen Trust Agreement
Attachments: 1953_001.pdf

Dear National Park Service Representative,

In accordance with section 4.2.8 of the final Environmental Mitigation Trust Agreement for State Beneficiaries (Trust Agreement) of the Volkswagen Settlement, attached is a copy of the Trust Agreement. Section 4.2.8 of the Trust Agreement requires Beneficiaries to provide a copy of the Trust Agreement to Federal agencies that have control or management of land under which environmental mitigation actions may occur under the Trust Agreement.

The North Dakota Department of Health has been designated by the Governor as the Beneficiary for the State of North Dakota. The Beneficiary is the agency that will be working with the Environmental Mitigation Trust, and complete NOx emission mitigation projects in accordance with the Volkswagen Settlement.

Information regarding the Volkswagen Settlement in North Dakota can be found at <https://deq.nd.gov/AQ/planning/VW.aspx>.

Keith Hinnenkamp
Environmental Scientist
North Dakota Department of Health
Division of Air Quality
918 E. Divide Ave., 2nd Floor
Bismarck, ND 58501-1947
701.328.5188
khinnenk@nd.gov

Hinnenkamp, Keith D.

From: Hinnenkamp, Keith D.
Sent: Thursday, February 15, 2018 11:06 AM
To: 'VW_Settlement@fws.gov'
Subject: Section 4.2.8 Volkswagen Trust Agreement
Attachments: 1953_001.pdf

Dear Mr. Allen or Other Designated Representative,

In accordance with section 4.2.8 of the final Environmental Mitigation Trust Agreement for State Beneficiaries (Trust Agreement) of the Volkswagen Settlement, attached is a copy of the Trust Agreement. Section 4.2.8 of the Trust Agreement requires Beneficiaries to provide a copy of the Trust Agreement to Federal agencies that have control or management of land under which environmental mitigation actions may occur under the Trust Agreement.

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Keith Hinnenkamp
Environmental Scientist
North Dakota Department of Health
Division of Air Quality
918 E. Divide Ave., 2nd Floor
Bismarck, ND 58501-1947
701.328.5188
khinnenk@nd.gov

Hinnenkamp, Keith D.

From: Hinnenkamp, Keith D.
Sent: Thursday, February 15, 2018 11:09 AM
To: 'lgeiser@fs.fed.us'; 'baanderson02@fs.fed.us'
Subject: Section 4.2.8 Volkswagen Trust Agreement
Attachments: 1953_001.pdf

Dear Ms. Geiser and Mr. Anderson,

In accordance with section 4.2.8 of the final Environmental Mitigation Trust Agreement for State Beneficiaries (Trust Agreement) of the Volkswagen Settlement, attached is a copy of the Trust Agreement. Section 4.2.8 of the Trust Agreement requires Beneficiaries to provide a copy of the Trust Agreement to Federal agencies that have control or management of land under which environmental mitigation actions may occur under the Trust Agreement.

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Keith Hinnenkamp
Environmental Scientist
North Dakota Department of Health
Division of Air Quality
918 E. Divide Ave., 2nd Floor
Bismarck, ND 58501-1947
701.328.5188
khinnenk@nd.gov



February 21, 2018

Omaha District
U.S. Army Corps of Engineers
1616 Capitol Avenue, Suite 9000
Omaha, NE 68102

FILE

Re: Volkswagen Settlement

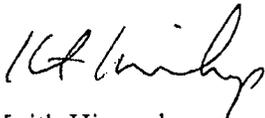
Dear U.S. Army Corps of Engineers Representative:

In accordance with section 4.2.8 of the final Environmental Mitigation Trust Agreement for State Beneficiaries (Trust Agreement) of the Volkswagen Settlement, enclosed is a copy of the Trust Agreement. Section 4.2.8 of the Trust Agreement requires Beneficiaries to provide a copy of the Trust Agreement to Federal agencies that have control or management of land under which environmental mitigation actions may occur under the Trust Agreement.

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If you have any questions or comments, do not hesitate to contact me at (701)328-5188 or by e-mail at khinnenk@nd.gov.

Sincerely,



Keith Hinnenkamp
Environmental Scientist
Division of Air Quality

KH:csc

Enc:



February 21, 2018

FILE

St. Paul District
U.S. Army Corps of Engineers
180 Fifth Street East, Suite 700
St. Paul, MN 55101-1678

Re: Volkswagen Settlement

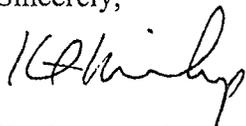
Dear U.S. Army Corps of Engineers Representative:

In accordance with section 4.2.8 of the final Environmental Mitigation Trust Agreement for State Beneficiaries (Trust Agreement) of the Volkswagen Settlement, enclosed is a copy of the Trust Agreement. Section 4.2.8 of the Trust Agreement requires Beneficiaries to provide a copy of the Trust Agreement to Federal agencies that have control or management of land under which environmental mitigation actions may occur under the Trust Agreement.

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If you have any questions or comments, do not hesitate to contact me at (701)328-5188 or by e-mail at khinnenk@nd.gov.

Sincerely,



Keith Hinnenkamp
Environmental Scientist
Division of Air Quality

KH:csc

Enc: