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STATE OF NEW HAMPSHIRE

OFFICE OF STRATEGIC INITIATIVES

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DIVISION OF PLANNING

DIVISION OF ENERGY

www.nh.gov/osi

March 16, 2020

Mr. Russell L. Crane
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Dear Mr. Crane,

The New Hampshire Office of Strategic Initiatives has enclosed the State of New Hampshire's submission of its third funding request (NHOSI 20-01) through the Volkswagen Environmental Mitigation Trust. The enclosure is to fulfill the requirement that a hard copy be submitted to you as required by paragraph 5.2 of the Trust Agreement.

Thank you for your attention to this matter. If you have any questions regarding this submission, please contact Lisa Cota-Robles, Deputy Director of OSI at lisa.cota-robles@osi.nh.gov or by phone at (603) 271-2155.

Sincerely,

Jared Chicoine
Director

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of New Hampshire

Lead Agency Authorized to Act on Behalf of the Beneficiary Office of Strategic Initiatives
(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:	MTA School Bus Replacement
Beneficiary's Project ID:	NHOSI-20-01
Funding Request No.	03
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>Manchester Transit Authority</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 Type	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Class 4-8 School Bus, Shuttle Bus, or Transit Bus</u> <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 1												
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	See Attachment 1												
Estimate of Anticipated NOx Reductions(5.2.3): Reductions measured in Short Tons:	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Annual Nox</th> <th>Lifetime Nox</th> <th>Annual CO</th> <th>Lifetime CO</th> <th>Annual PM2.5</th> <th>Lifetime PM2.5</th> </tr> </thead> <tbody> <tr> <td>1.279</td> <td>2.627</td> <td>0.617</td> <td>1.277</td> <td>0.098</td> <td>0.206</td> </tr> </tbody> </table>	Annual Nox	Lifetime Nox	Annual CO	Lifetime CO	Annual PM2.5	Lifetime PM2.5	1.279	2.627	0.617	1.277	0.098	0.206
Annual Nox	Lifetime Nox	Annual CO	Lifetime CO	Annual PM2.5	Lifetime PM2.5								
1.279	2.627	0.617	1.277	0.098	0.206								
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):	New Hampshire Office of Strategic Initiatives												
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	Through the NH OSI website https://www.nh.gov/osi/energy/programs/documents/beneficiary-mitigation-plan.pdf												
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	See Attachment 1												
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	See Attachment 1												

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 1

ATTACHMENTS

(CHECK BOX IF ATTACHED)

- X Attachment A Funding Request and Direction.
- X Attachment B Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
- X Attachment C Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
- X 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 New Hampshire, 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

ATTACHMENT B

PROJECT MANAGEMENT PLAN PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Lead Agency Provides Notice of Availability of Mitigation Action Funds	9/7/2018
Project Sponsor Submits Proposal to Lead Agency	7/12/2019
Public Notice of Governor and Council Meeting Agenda	1/31/2020
Lead Agency Receives Governor and Council Approval	2/5/2020
Lead Agency Notifies Project Sponsor of Governor and Council Approval	2/11/2020
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Start	2/13/2020
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Complete	2/13/2020
Manchester Transit Authority Accepts Delivery of New Buses	Beg. June 2020
Manchester Transit Authority Vehicle Destruction	Beg. April 2020
Lead Agency Reports to Trustee on Status of & Expenditures with Mitigation Actions Completed and Underway	Within six (6) months of first disbursement; Jan. 30 & July 30 thereafter

PROJECT BUDGET

Period of Performance: <u>January 2020 – September 2020</u>				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Entity #1)	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$1,578,624	\$750,000	\$828,624	\$0
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$0	\$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	\$0
4. Administrative ¹	\$11,307	\$11,307	\$0	\$0
Project Totals	\$1,589,931	\$761,307	\$828,624	\$0
Percentage (excl. admin costs)	100%	47.5%	52.5%	0%

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

PROJECTED TRUST ALLOCATIONS:

	2019 (Actuals)	2020	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$3,731,345	\$6,078,732*	\$
2. Anticipated Annual Cost Share	\$5,033,176	\$2,897,154	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$8,764,521	\$8,975,886	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0	\$3,731,345	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$3,731,345	\$6,078,732	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$3,731,345	\$9,810,077	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$31,204,145	\$27,472,800	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$27,472,800	\$21,394,068	\$

*Includes estimated admin cost of 10% for all anticipated 2020 projects

ATTACHMENT C

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

Information on the application process and status of eligible mitigation actions under the Volkswagen Environmental Mitigation Trust will be made available on the New Hampshire Office of Strategic Initiatives' VW webpage in the form of a report with reporting requirements consistent with the Trust. Record may also be requested by contacting the Office of Strategic Initiatives, or through the State of New Hampshire's Right-to-Know Law, codified as RSA 91-A.

ATTACHMENT D

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

Purchase orders:

DATE OF ORDER 2/13/2020		DATE RECEIVED		PO Account 110050-000		BUYER RYAN RENAULD-SMITH	
QUANTITY ORDERED	QUANTITY RCVD	ITEM NUMBER	VENDOR ITEM	DESCRIPTION	ACCOUNT NUMBER	UNIT PRICE	EXTENDED PRICE
5				2021 Blue Bird Propane Vislon		111,980.0000	559,900.00
1				Evacuation System		10,904.0000	10,904.00

PO Total: 570,804.00

DATE OF ORDER 2/13/2020		DATE RECEIVED		PO Account 110050-000		BUYER RYAN RENAULD-SMITH	
QUANTITY ORDERED	QUANTITY RCVD	ITEM NUMBER	VENDOR ITEM	DESCRIPTION	ACCOUNT NUMBER	UNIT PRICE	EXTENDED PRICE
5				2021 Blue Bird Propane Vislon		111,980.0000	559,900.00

PO Total: 559,900.00

DATE OF ORDER 2/13/2020		DATE RECEIVED		PO Account 110050-000		BUYER RYAN RENAULD-SMITH	
QUANTITY ORDERED	QUANTITY RCVD	ITEM NUMBER	VENDOR ITEM	DESCRIPTION	ACCOUNT NUMBER	UNIT PRICE	EXTENDED PRICE
4				2021 Blue Blrd Propane Vislon		111,980.0000	447,920.00

PO Total: 447,920.00

Attachment 1

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

The project fits into the Mitigation Plan by addressing the principal goal of New Hampshire's Mitigation Trust to alleviate excess nitrogen oxide emissions caused by the Volkswagen violations through implementation of cost-effective projects in all regions of the state. Utilizing Mitigation Trust funds for the replacement of publically-owned vehicles lowers operating and maintenance costs for these fleets and saves taxpayer money. The school buses to be replaced operate within the City of Manchester, where, according to the American Community Survey, 17.4% of residents live below the poverty line. Additionally, 60% of students in the Manchester School District receive free/reduced lunch. The replacement school buses will operate in areas with historical air quality issues and in areas that receive a disproportionate quantity of air pollution from diesel fleets. The replacement of older diesel vehicles with lower emission vehicles maximizes air quality benefits by also reducing particulate emissions, greenhouse gas emissions and the carcinogens associated with diesel exhaust. Use of an MTA match for this project serves to leverage investment of additional funds and expand the number and scope of projects to be served by the Mitigation Trust.

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

The project involves the replacement of 14 Class C diesel school buses with new propane school buses. The replacement of these older and less efficient vehicles with new alternative fuel school buses will benefit air quality in the state through reductions in emissions such as NO_x, particulate matter and greenhouse gases. The replacement of these publicly-owned diesel vehicles will also provide a broad public benefit by lowering maintenance and fuel costs for this municipal fleet, and thus for taxpayers. It is estimated that the project will result in an annual reduction in NO_x of 1.279 short tons and an estimated lifetime reduction of 2.627 short tons. It is estimated that the project will result in an annual reduction in PM_{2.5} of 0.098 short tons and estimated lifetime PM_{2.5} reductions of 0.206 short tons. It is estimated that the project will result in an annual reduction in CO of 0.617 short tons and estimated lifetime CO reductions of 1.277 short tons.

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

Cost Share Requirement: 20%; MTA Cost Share for this project – 52.5% (\$828,264)

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

Pursuant to Section 4.2.8 of the Environmental Mitigation Trust Agreement for State Beneficiaries, the New Hampshire Office of Strategic Initiatives (OSI), Lead Agency for the Environmental Mitigation Trust, made information pertaining to the availability of Trust funding for eligible mitigation activities publically available. This notification was accomplished through the presentation of the New Hampshire Beneficiary Environmental Mitigation Plan and State Trust Agreement documents on the Volkswagen page of the OSI website. The New Hampshire Beneficiary Environmental Mitigation Plan and State Trust Agreement documents were made available on the OSI website beginning on September 7, 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):

The school bus replacement project will replace school buses used exclusively in the City of Manchester and traveling along residential streets, primarily in downtown. All MTA buses are used for “double runs” meaning that they transport a middle school run and then an elementary run, totaling 4 runs per school day. Data from the 2017 ACS shows that 17.4% of residents live below the poverty line and 60% of students in the Manchester School District receive free/reduced lunch. Additionally, that rate is even higher in the downtown schools like Beech Street Elementary (93%) and Wilson Street Elementary (85%) where the vast majority of students walk and are thereby exposed to vehicle emissions daily.