

April 7, 2021

VW Diesel Emissions Environmental Mitigation Trust
c/o Wilmington Trust, N.A., as Trustee
1100 North Market Street
Wilmington, DE 19890

Re: North Dakota Funding Request
VW Draw 7

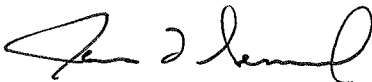
Ladies/Gentlemen:

Attached is a copy of North Dakota's Appendix D-4 Beneficiary Eligible Mitigation Action Certification and an Attachment A Funding Request and Direction pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement (Trust Agreement).

This request (VW Draw 7) is for projects to be funded under the Category 6 Class 4-7 Local Freight Trucks (Medium Trucks) eligible mitigation action of the Trust Agreement.

If you have any questions or comments, do not hesitate to contact Keith Hinnenkamp or Angela Seligman of my staff at (701)328-5188 or by e-mail at khinnenk@nd.gov or aseligman@nd.gov.

Sincerely,



James L. Semerad
Director
Division of Air Quality

JLS/KDH:saj
Enc:

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 7
Beneficiary's Project ID:	EQ1256
Funding Request No.	<i>(sequential)</i> 7
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)

- | | | |
|-------------------------------------|--------------|--|
| <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.] |

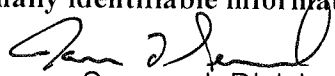
CERTIFICATIONS

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

1. This application is submitted on behalf of Beneficiary 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

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: 4/7/21


James Semerad, Division Director

[NAME]
[TITLE]

NDDEQ, Division of Air Quality
[LEAD AGENCY]

for

State of North Dakota
[BENEFICIARY]

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 electric vehicle charging capabilities. The current proposed mitigation action plans to partially fund the replacement of a 2006 gravel truck with a new truck, which will reduce NO_x emissions and improve the air quality in North Dakota.

Estimate of Anticipated NO_x Reductions:

The Environmental Protection Agency’s Diesel Emissions Quantifier was used to determine emission reductions from the replacement of a 2006 Category 6 truck. The following lifetime emission reductions were determined:

Application	NO _x (tons)	PM _{2.5} (tons)	HC (tons)	CO (tons)
Hettinger County (Application #19)	1.147	0.105	0.172	0.631

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 22, 2020
Request for proposal closing – application deadline	November 6, 2020
NDDEQ, Division of Air Quality selects potential grant recipients from eligible application pool and mails out grant agreements	November – December 2020
NDDEQ, Division of Air Quality submits funding request to Trustee – Appendix D-4: Beneficiary Eligible Mitigation Action Certification including Attachments	April 2021
Trustee acknowledges receipt of funding request	Receipt from Trustee
Trustee allocates share of state funds	Transfer Date
Grant agreements signed with selected entities	CY 2021, Q1
Grantee provides proof of scrappage, invoices, and other documents required for reimbursement	CY 2021, Q2 – CY 2023, Q1
NDDEQ, Division of Air Quality reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	CY 2021, Q2 – CY 2023, Q2
NDDEQ, Division of Air Quality reports to the Trustee on the status of and expenditures with Mitigation Actions completed and underway	January 30 and July 30

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	\$124,000	\$62,000	\$62,000
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	\$124,000	\$62,000	\$62,000
Percentage	100%	50%	50%

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

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 30 and July 30 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
19	Gravel Truck	1	\$124,000	\$62,000

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



WESTLIE MOTOR COMPANY
dba WESTLIE TRUCK CENTER OF DICKINSON
 985 29TH AVENUE E • PO BOX 1900
 DICKINSON, ND 58602-1900
 P 701.225.4325 F 701.225.2916

SALES ORDER / INVOICE

Inv. # **STOCK**

PURCHASER **HETTINGER COUNTY**

Street **336 PACIFIC AVE MOTT, ND 58646**

City, State, Zip **MOTT, ND 58602**

Salesman **TOM HODGSON**

Phone # **(701) 928-1621**

Email **efink@nd.gov**

Date **11/05/2020**

I, Purchaser named above, offer to purchase from Seller, under the terms and conditions specified herein, the following:

YEAR & MAKE	2021 WESTERN STAR	MODEL	4700	BODY TYPE	SEMI TRACTOR
SERIAL NO.		COLOR	WHITE	MILEAGE	
				STOCK NO.	STOCK
DESCRIPTION		AMOUNT		DELIVERY AND RISK OF LOSS	
UNIT AS SPEC.		\$ 124,000.00		Neither risk of loss, title or ownership shall pass from seller to buyer until delivery. If applicable, delivery will occur when buyer receives possession of the goods at (city/state):	
DESCRIPTION OF GUARANTEE					
<input checked="" type="checkbox"/> New Truck or Trailer Basic Factory Limited Warranty <input checked="" type="checkbox"/> As Is - No Service Contract					
DEALER SERVICES represents amount charged to purchaser for preparation of documents, affidavits, notary services, registration services, and all other services to record title transfer. If the purchaser finances part of the transaction, the dealer service fee will be included in the cash portion of the contract.					
Less FET Tire Credit--Gov Sales Only					
PURCHASE AMOUNT		\$ 124,000.00		DESCRIPTION OF UNIT TRADED	
Less Used Vehicle Allowance				Year & Make	X
TAXABLE SALE AMOUNT		\$ 124,000.00		Model	X
North Dakota Sales/Excise Tax				Body Type	X
License and Title Fees				Serial No.	X
Dealer Services				Mileage	X
Federal Excise Tax on Purchase Amount				Color	X
Extended Service Plan -				Stock No.	X
Extended Service Plan -				Inv Code	X
Extended Service Plan -				I certify that I am 18 years or over and that the vehicle I am trading in is free from all encumbrances whatsoever except as noted above. I have read the printed matter and agree to it as part of this agreement. Receipt of a copy of this agreement is hereby acknowledged. I have received my odometer mileage statement. I hereby accept his vehicle offer as written.	
Extended Service Plan -					
Extended Service Plan -					
SUBTOTAL		\$ 124,000.00			
GRAND TOTAL		\$ 124,000.00		X SIGNATURE OF PURCHASER PRINTED NAME: ELLIOT FINK	
Less Prepaid Deposit				This is an offer only and is not binding upon the customer or Seller until signed by the Purchaser and accepted by the officers or sales managers of the Seller.	
Less Cash Down					
BALANCE DUE		\$ 124,000.00		ACCEPTED BY: TOM HODGSON	

SHOW LIEN TO: _____

SELLER'S DISCLAIMER OF WARRANTY - Unless a separate written warranty is furnished by Seller, any Warranties on the vehicle sold hereunder are those of the Manufacturer. As between Buyer and Seller the vehicle is sold "As Is" and "With all Faults". SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Seller shall not be liable for loss of use of the vehicle, loss of time, inconvenience or other consequential damage. Seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the vehicle. The disclaimer does not affect the terms of any applicable Manufacturer's warranty.

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

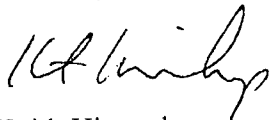
Dear U.S. Army Corps of Engineers Representative:

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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 Hinnekamp
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

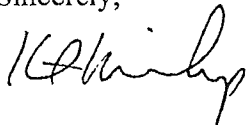
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If you have any questions or comments, do not hesitate to contact me at (701)328-5188 or by e-mail at khinnenk@nd.gov.

Sincerely,



Keith Hinnenkamp
Environmental Scientist
Division of Air Quality

KH:csc

Enc: