

MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Michael L. Parson
Governor

Dru Buntin
Director

May 25, 2023

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 Russell Crane,

The Missouri Department of Natural Resources has enclosed Missouri's revised budget found in Attachment B for a Volkswagen Environmental Mitigation Trust funding request. The department is revising the enclosed budget of funding request for the DERA match component as a result of EPA extending the project period for the federal grant to 2023.

These enclosure are to fulfill the requirement of a hard copy submission in compliance with paragraph 5.2 of the Trust Agreement. Thank you for attention to this matter. If you have any questions regarding this submission, please contact Deedra Beye-Stegeman, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 751-8227 or email at Deedra.Beye-Stegeman@dnr.mo.gov.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Stephen M. Hall
Director

SMH:cm

Enclosures:
Revised D-4 (33) MO VW DERA Fed Program Year 2021-2023



APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

Missouri Funding Request #33

Project ID: Cat 7-EMA10 FY22-002

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Missouri

Lead Agency Authorized to Act on Behalf of the Beneficiary: Missouri Department of Natural Resources
(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:	DERA Award Category – Federal Program Year 2021-2022
Beneficiary’s Project ID:	Cat 7-EMA10 FY22-002
Funding Request No.	33
Request Type: (select one or more)	<input checked="" 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 type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action Type	<input type="checkbox"/> Appendix D-2 item (specify): <input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (Match for 2021-2022 Missouri State Clean Diesel Program):
Explanation of how funding request fits into Beneficiary’s Mitigation Plan (5.2.1): Missouri’s allocates \$3 million to provide the state’s match to the state allocated Diesel Emission Reduction Act (DERA) grant each year throughout the ten-year period of the VW Trust. This funding request will provide the state’s match for Missouri’s state DERA grant for EPA’s 2021 program year. Under this grant program, Missouri plans to provide funding for the replacement of vehicles and equipment in accordance with DERA requirements.	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): Missouri’s work plan and budget for the 2020 Missouri State Clean Diesel Program is attached. Under the grant program, Missouri expects to implement replacements and repowers for onroad and nonroad equipment.	
Estimate of Anticipated NO_x Reductions (5.2.3): The department will use specific equipment replacement information and the EPA Diesel Emissions Quantifier to determine the magnitude of NO _x reduction over the lifetimes of these projects.	
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): Missouri Department of Natural Resources	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). The Missouri Department of Natural Resources, as lead agency for the state of Missouri implementing the Environmental Mitigation Plan, has established a webpage on the VW Trust and mitigation actions. https://dnr.mo.gov/air/what-were-doing/volkswagen-trust-funds	
Describe any cost share requirement to be placed on each NO_x source proposed to be mitigated (5.2.8). Missouri’s DERA grant dollars will be used to fund a portion of the equipment, vehicle, and engine replacement projects. Using the grant dollars and the Trust dollars, the department will provide a percentage of the cost of the new equipment and the equipment owners will pay the remaining cost in accordance with DERA and VW Trust requirements.	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). On February 28, 2018, the Department notified the Department of Interior, including the National Park Service and U.S. Fish and Wildlife Service, and the Department of Agriculture, including the Forest Service of the availability of VW funds for locations within Missouri. The Department did not receive notice from any other federal agency indicating interest in these funds.	
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 (5.2.10). School bus replacement projects operate primarily around school-aged children, which are a sensitive population. As a sensitive population, children bear an increased share of air pollution burden.	

ATTACHMENTS

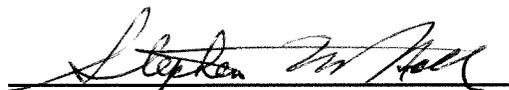
(CHECK BOX IF ATTACHED)

- 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 State of Missouri, 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)


[SIGNATURE]

5-25-2023
[DATE]

Stephen M. Hall
[NAME]

AIR POLLUTION CONTROL
PROGRAM DIRECTOR
[TITLE]

MISSOURI DEPARTMENT OF
NATURAL RESOURCES
[LEAD AGENCY]

For

STATE OF MISSOURI
[BENEFICIARY]

ATTACHMENT B

**Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #33
Project ID: Cat 7-EMA10 FY22-002**

**Eligible Mitigation Action Management Plan Including Detailed Budget and
Implementation and Expenditures Timeline**

PROJECT MANAGEMENT PLAN

PROJECT SCHEDULE AND MILESTONES

Milestone	Date
DNR provides notice of availability of mitigation action funds	Aug/Sept 2019
Due date for project sponsors to submit proposals to lead agency	Oct/Nov, 2019
DNR provides approval of successful project sponsors’ proposals	Dec 2019/Jan 2020
Project sponsors complete procurement and submit purchase orders	Project approval + 1 month
DNR submits attachment A to cover annual admin and project awards	Project approval +1 month
Trustee provides funds to DNR as requested in the attachment A	Project approval +1.5 months
Vehicles delivered to project sponsors	Project approval + 3 months
Project sponsors submit evidence of vehicle scrapping, invoices, proof of payment, and other documents required for reimbursement	Project approval + 3.5 months
DNR reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	Project approval + 4 months
DNR reports to Trustee on status of and expenditures with mitigation actions completed and underway	Jan. 31 and July 31 each year

PROJECT BUDGET

	Period of Performance: <u>July 2021 – October 2022</u>			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (DERA Grant)	Cost-Share, if applicable (Project Sponsors)
1. Equipment Expenditure	\$3,493,760	\$349,376	\$524,064	\$2,620,320
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	\$0	\$0	\$0	\$0
Project Totals	\$3,493,760	\$349,376	\$524,064	\$2,620,320
Percentage	100%	10%	15%	75%

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

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #33
Project ID: Cat 7-EMA10 FY22-002

PROJECTED TRUST ALLOCATIONS

	FY 2022	FY 2023-28
1. Anticipated Annual Project Funding Requests to be paid through Trust	\$ 14,500,000	\$ 6,895,504
2. Anticipated Annual Cost Share	\$ 12,884,650	\$ 8,762,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 27,384,650	\$ 15,657,504
4. Cumulative Trustee Payments made to Date Against Cumulative Approved Beneficiary Allocation	\$ 19,756,547	\$ 34,256,547
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 14,500,000	\$ 6,895,504
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 34,256,547	\$ 41,152,051
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 21,395,504	\$ -
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$ 6,895,504	\$ -

ATTACHMENT B – REVISED 5/19/2023

**Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #33
Project ID: Cat 7-EMA10 FY22-002**

**Eligible Mitigation Action Management Plan Including Detailed Budget and
Implementation and Expenditures Timeline**

PROJECT MANAGEMENT PLAN

PROJECT SCHEDULE AND MILESTONES

Milestone	Date
DNR provides notice of availability of mitigation action funds	Aug/Sept 2019
Due date for project sponsors to submit proposals to lead agency	Oct/Nov, 2019
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DNR submits attachment A to cover annual admin and project awards	Project approval +1 month
Trustee provides funds to DNR as requested in the attachment A	Project approval +1.5 months
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Project sponsors submit evidence of vehicle scrapping, invoices, proof of payment, and other documents required for reimbursement	Project approval + 3.5 months
DNR reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	Project approval + 4 months
DNR reports to Trustee on status of and expenditures with mitigation actions completed and underway	Jan. 31 and July 31 each year

PROJECT BUDGET

	Period of Performance: <u>July 2021 – October 2023</u>			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (DERA Grant)	Cost-Share, if applicable (Project Sponsors)
1. Equipment Expenditure	\$7,127,790	\$712,779	\$1,069,169	\$5,345,842
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	\$0	\$0	\$0	\$0
Project Totals	\$7,127,790	\$712,779	\$1,069,169	\$5,345,842
Percentage	100%	10%	15%	75%

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

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #33
Project ID: Cat 7-EMA10 FY22-002

PROJECTED TRUST ALLOCATIONS

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7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 21,395,504	\$ -
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$ 6,895,504	\$ -

ATTACHMENT C

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

Records of the applicant, selected projects, and financial reports will be made available on the department's VW webpage in the form of a report to coincide with reporting requirements listed in the trust. Records may also be obtained through the state sunshine request portal.

ATTACHMENT D

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

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #33

Project IDs: Cat 7-EMA10 FY22-002

Nonroad Engine Replacement Project

Vehicle/Equipment Type	Diesel
Rock Crusher	\$174,000 – 116,000

Nonroad Vehicle/Equipment Replacement Projects

Vehicle/Equipment Type	Diesel
40 Ton Haul Truck	\$198,000 – 597,000
Excavator	\$59,000 – 176,000

Onroad Vehicle/Equipment Replacement Projects

Vehicle/Equipment Type	Diesel
Dump Truck	\$45,500 – 136,500
Bucket Truck	\$50,000 – 150,000
Tandem Truck	\$85,000 – 255,000

School Bus Replacement Projects

Bus Style	Diesel	Propane	Compressed Natural Gas
Type A	\$22,500 – 110,000		
Type B	\$22,500.00 – 110,000	NA	NA
Type C	\$157,500 – 770,000		
Type D	\$90,000 – 440,000	NA	NA

The department reviewed invoices for school bus purchases that schools have made in recent grants the department administered. School buses are classified by type that reflects passenger capacity and body style. Nonroad equipment price estimates based on submission by program applicants, and are classified by project type and vehicle/equipment use. All projects funded with Volkswagen Trust funds in this EMA are diesel powered.