

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary _____

Lead Agency Authorized to Act on Behalf of the Beneficiary _____
(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: | |
| Beneficiary's Project ID: | |
| Funding Request No. | (sequential) |
| Request Type: (select one or more) | <input 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 type="checkbox"/> Other (specify): _____ |
| Funding Request & Direction (Attachment A) | <input type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately |

SUMMARY

| |
|---|
| Eligible Mitigation Action <input type="checkbox"/> Appendix D-2 item (specify): _____ 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): |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): |
| Estimate of Anticipated NOx Reductions (5.2.3): |
| 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): |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2). |
| Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). |
| Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). |

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).

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 _____, 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: May 19, 2025



Dan Walsh

Air, Energy & Mining Division
Administrator

Department of Environmental Quality
for

State of Montana

SUMMARY Supplement Appendix D-4

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

Montana's Beneficiary Mitigation Plan posted in November 2018 proposed to use 55% of Montana's initial allocation, or approximately \$6.93 million in funding to help replace onroad heavy duty diesel vehicles (with engine model year 2009 or older), as authorized under Eligible Mitigation Action 2.

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

Montana DEQ solicited applications from public and private entities across Montana to partially reimburse the replacement and scrapping of projects authorized under Eligible Mitigation Action 2. One application for an electric shuttle bus was received from the City of Billings-Logan International Airport. Billings-Logan owns and operates shuttle buses that are eligible for replacement under EMA2. Trust funds will help replace a diesel shuttle bus with a battery-electric replacement. The bus will operate in Yellowstone County which is a priority area identified in DEQ's Beneficiary Mitigation Plan. Yellowstone County is also a maintenance county for levels of CO pollution.

Estimate of Anticipated NOx Reductions (5.2.3)

Montana DEQ estimated NOx emission reductions using the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool provided by Argonne National Laboratories (<https://greet.es.anl.gov/afleet>). We calculated reductions for the bus using the provided fuel type, usage, and replacement fuel. We estimate reductions in NOx emissions of 45.5 pounds total over five years.

Describe how the Beneficiary will make documentation publicly available (5.2.7.2)

MTDEQ maintains a webpage describing the Montana's Volkswagen Environmental Mitigation Program for State Beneficiaries. The Volkswagen Mitigation Trust webpage can be found at: <https://deq.mt.gov/energy/Programs/fuels>. Copies of the funding request certifications to the Trustee will be available through links on this web page.

Application materials, reimbursement requests, and other documentation submitted by applicants and funding recipients for Montana's Volkswagen Environmental Mitigation Program are available to the public either through the website, or upon request pursuant to Montana Code Annotated Title 2, chapter 6, part 10.

Describe any cost-share requirement to be placed on each NOx source proposed to be mitigated (5.2.8):

Shuttle bus replacements were eligible for reimbursement up to 85% of the cost of each new bus. Billings-Logan will receive a maximum of \$273,572.00 for replacement of one diesel shuttle bus with a new all-electric shuttle bus. Billings-Logan estimated cost share will be \$48,278.00 with a total purchase price expected to be \$321,850.00.

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 shuttle bus funded by this request will replace an older diesel shuttle bus operating in Yellowstone County is identified in Montana's Beneficiary Mitigation Plan as a priority county based on annual mobile sources of on-road NOx emissions.

ATTACHMENT B

PROJECT MANAGEMENT PLAN INCLUDING DETAILED BUDGET AND IMPLEMENTATION AND EXPENDITURES TIMELINE (5.2.4)

This funding request will provide advance funds to the Montana Department of Environmental Quality (MTDEQ) for the implementation of school bus replacements under the Montana Clean Truck, Bus & Airport Equipment Program. The actions covered by this funding request are consistent with Eligible Mitigation Action 2 (Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)) of the State Trust Agreement and with Montana's Beneficiary Mitigation Plan (page 7), which allocated 55 percent of Montana's Volkswagen EMT funding for onroad heavy duty diesel vehicles.

SCHOOL BUSES TO BE FUNDED THROUGH THIS REQUEST

One all-electric shuttle bus will be funded through this request. The successful applicant was the City of Billings-Logan International Airport.

PROJECT SCHEDULE AND TIMELINE, MONTANA CHARGE YOUR RIDE PROGRAM

| Project Milestone | Date |
|---|--|
| Montana DEQ posts information and application materials on agency website; e-mail notification to Volkswagen Mitigation stakeholders list | 21 October, 2024 |
| Deadline for submission of applications | 21 February, 2025 |
| Review of applications | Within 14 days of application deadline |
| Formal notification to successful applicants | Within 30 days of application deadline |
| Montana DEQ submits Project Certification and Funding Direction for Advanced Funding | May 2025 |
| Finalization of contracts with funding recipients | July 2025 |
| Trustee allocates Advanced Funding to MTDEQ | July 2025 |
| Montana DEQ reports on project progress | January 2026 |
| Montana DEQ reports on project progress | August 2026 |
| Montana DEQ reports on project progress | January 2027 |
| Montana DEQ reports on project progress | August 2027 |
| Montana DEQ reviews reimbursement requests from recipients and provides payments for projects completed. | Q1 2027 |
| Deadline for completion of airport equipment replacement project | March 2027 |
| MTDEQ reports project completion | August 2027 |

Project Budget

| Period of Performance: May 2022 – January 2024 | | | |
|--|--|---|----------------------------|
| Budget Category | Share of Total Budget to be Funded by the Trust | Cost-Share to be Paid by Project Recipient | Total Budget Amount |
| Costs associated with replacement of shuttle bus | \$273,572.00 | \$48,278.00 | \$321,850.00 |
| Contractor Support | \$0 | \$0 | \$0 |
| Subrecipient support | \$0 | \$0 | \$0 |
| Administrative Costs (2%) Program planning, development, outreach, and administration | \$40,000.00 | \$0 | \$40,000.00 |
| Project Totals | \$313,572.00 | \$48,278.00 | \$361,850.00 |
| Percentage | 85% | 15% | 100% |

PROJECTED ANNUAL TRUST ALLOCATIONS

| | 2025 | 2026 | 2027 |
|--|----------------|-----------------|-----------------|
| 1. Anticipated Annual Project Funding Request to be paid through the Trust | \$605,830.35 | \$2,335,296.23 | \$2,335,296.23 |
| 2. Anticipated Annual Cost Share | \$1,921,899.24 | \$467,059.25 | \$467,059.25 |
| 3. Anticipated Total Project Funding by Year (line 1 plus line 2) | \$2,527,729.59 | \$2,802,355.48 | \$2,802,355.48 |
| 4. Cumulative Trustee Payments Made in Previous Years Against Cumulative Approved Beneficiary Allocation | \$8,387,796.26 | \$8,993,626.61 | \$11,328,922.84 |
| 5. Current Beneficiary Project Funding to be paid through the Trust (line 1) | \$605,830.35 | \$2,335,296.23 | \$2,335,296.23 |
| 6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5) | \$8,993,626.61 | \$11,328,922.84 | \$13,643,148.38 |
| 7. Beneficiary Share of Estimated Funds Remaining in Trust at Start of Year | \$5,276,422.81 | \$4,670,592.46 | \$2,335,296.23 |
| 8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5) | \$4,670,592.46 | \$2,335,296.23 | \$0.00 |

ATTACHMENT C

DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION (5.2.11)

The Montana Department of Environmental Quality (DEQ) will provide detailed reporting on this funding request under Eligible Mitigation Action 2 (Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)) in two ways: 1) timely updates to DEQ's Volkswagen Environmental Mitigation Program web page and 2) semi-annual reports to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust for State Beneficiaries.

DEQ Website

DEQ has a webpage dedicated to the Volkswagen Environmental Mitigation Program that includes projects and actions that are eligible for funding and the status of funding. The website is found at: <https://deq.mt.gov/energy/Programs/fuels>. Copies of funding request certifications to the Trustee will be available through this web page. This page will link to current and past projects and categories funded through the Trust.

Application materials, reimbursement requests, and other documentation for Montana's Volkswagen Environmental Mitigation Program are available to the public either through the website, or upon request pursuant to Montana Code Annotated Title 2, chapter 6, part 10.

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, DEQ will submit a report to the Trustee within six months of the first disbursement and thereafter no later than January 30 and July 30 for preceding six-month periods. These reports will describe the progress implementing current and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including actual or projected termination date), development implementation, and any modification of the Eligible Mitigation Action. These semi-annual reports to the Trustee will be available for public access through links on the main Volkswagen Trust page on the DEQ website.

ATTACHMENT D

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

| Agency | Equipment | Manufacturer | Model | Fuel | Quantity | Expected Purchase Price |
|---|------------------|---------------------|------------------|-------------|-----------------|--|
| City of Billings- Logan International Airport | Shuttle bus | Turtle Top | Terra Transit | Electric | 1 | \$321,850.00 |

Each applicant for the Montana Clean Truck, Bus & Airport Equipment Program were required to seek at least three price quotes for school buses and submit them with their application.



Northwest Bus Sales

2025 Turtle Top Terra Transit

Date: 5/7/25

FROM Mike Wacławski
33207 Pacific Highway S
Federal Way, WA, 98003
425-260-8781
mikew@nwbus.com

TO Billings Logan International Airport
1901 Terminal Cir, Billings MT, 59105

Optimal EV 1 Features

| STANDARD CONVERSION FEATURES: | | ELECTRICAL SYSTEM FEATURES | |
|-----------------------------------|----------------------------------|--|--|
| Repurpose OEM Engine/Transmission | Manual Park Brake- Foot Actuated | Proterra 123kW NMC Battery Pack | Heavy Duty Traction Motor, 295 Peak HP |
| Clear Frame Back of Cab | Rear Axle Adaptation | Proprietary Frame Protection Battery Install | High Voltage & Cooling System Protection |
| OEM Dash Auto/Heat and A/C system | OEM Wiper System | 250 Amp DC-DC 12V Chassis Electrical | DCFC Level 3 (870v) 60kW Fast Charge |
| | | J1772 Charge equipment | VMC OEM BMS and Temperature Control |

Turtle Top Standard Features

| EXTERIOR STANDARD FEATURES: | | INTERIOR STANDARD FEATURES | |
|-------------------------------------|---------------------------------------|--------------------------------|------------------------------|
| Welded Tubular Steel Cage | Welded Perimeter Steel Floor Frame | 3/4" Coosa Composite Sub Floor | Tinted Solid Side Windows |
| Flat Floor with Three Strep Entry | Drive Shaft Guards | 76" Interior Height | Black Altro Flooring |
| Rear Mud Flaps | Steel Cage Primed with Rust Inhibitor | Fiberglass Ceiling & Sidewalls | Modesty Panel |
| Underbody Foam Sealed & Undercoated | One-Piece Fiberglass Roof | LED Entry Lighting | Grab Bar Right of Entry Door |
| Steel Wheel Well Plates | Exhaust Re-Route to Driver Side | Hand Rail Left of Entry Door | Electric Entry Door |

Chosen Conversion Features

| QTY | Item Description | QTY | Item Description |
|-----|--|-----|---|
| | Ford E450 | | Engine Options |
| 1 | Flooring Options: | | Chassis Options |
| 1 | Altro Grey Flooring | 1 | Driver Side Running Board |
| 1 | Interior Lighting: | 1 | Mor-Ryde Suspension (Subject to Approval) |
| 1 | Door Activated Interior Lights | 1 | Heated / Remote Mirrors |
| | Seating Options | 1 | Valve Stem Extenders |
| 10 | Mid-High Back Double Passenger Seat | | Air Conditioning |
| 10 | Arm Rests | 1 | 70,000 BTU's |
| 10 | Grab Handles | | Heat, Passengers |
| 20 | Seat Belts - "USR" - Under Seat Retractable | 1 | Heat, Floor Mounted, 70,000 BTU |
| 20 | Seat Cover Level 1 | | Media / Electronics |
| | Grab Rails, Stanchions: | 1 | OEM Radio with 4 Speakers |
| 2 | Ceiling Grab Rail | | Safety Items: |
| 1 | Dual Entry Grab Rails Parallel to Entrance Steps | 1 | Back Up Alarm |
| 1 | Modesty Panel & Stanchion Behind Driver | 1 | Fire Extinguisher - 5 lb |
| | Misc. Options: | 1 | First Aid Kit - 16 Unit |
| 1 | Rosco Back Up Camera | 1 | Emergency Triangles |
| 1 | Stainless Steel Wheel Inserts | 1 | Interior Convex Mirror |
| 1 | Delivery | | |
| | | | |

TOTAL PRICE

\$321,850

CUSTOMER SIGNATURE

*Price does not include sales tax, doc fee, administrative or license fees.
*Price is estimate and subject to change without notice