

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Montana

Lead Agency Authorized to Act on Behalf of the Beneficiary Montana Department of Environmental 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:	Montana Clean Truck, Bus & Airport Equipment Rnd 2 - Shuttle bus
Beneficiary's Project ID:	VWT2025-11
Funding Request No.	<i>(sequential)</i> 11
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): 2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)
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 attached Summary Supplement	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See attached Summary Supplement	
Estimate of Anticipated NOx Reductions (5.2.3): See attached Summary Supplement	
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): Montana Legislative Audit Division	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See attached Summary Supplement	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See attached Summary Supplement	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	

On February 27, 2018 MTDEQ sent e-mail notices of availability of funds to representatives of the U.S. Department of Interior and U.S. Department of Agriculture listed in subparagraph 4.2.8

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 attached Summary Supplement

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 Montana, 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 pers i tion. (5.2.7.2)

DATED: May 19, 2025


Dan Walsh
Air, Energy & Mining Division
Administrator
Department of Environmental Quality
for

State of Montana

ATTACHMENT A

FUNDING REQUEST AND DIRECTION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Pursuant to the authority granted to Department of Environmental Quality [insert Lead Agency] to act on behalf of Beneficiary State of Montana under the Mitigation Trust, [Lead Agency] directs the Trustee to make the following payments from its subaccount no. _____ to the following payees, for the amounts specified on the dates specified below.

LEAD AGENCY INFORMATION

Beneficiary Name:	<u>State of Montana</u>	Lead Agency Contact Person:	<u>Neal Ullman</u>
Lead Agency Name:	<u>Department of Environmental Quality</u>	Lead Agency Email Address:	<u>neal.ullman@mt.gov</u>
Lead Agency Address:	<u>1520 East 6th Ave. Helena, MT 59601</u>	Lead Agency Fax:	
Lead Agency Phone:	<u>406-444-6582</u>	Lead Agency TIN:	

Contact information entered above may correspond to Lead Agency or 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

MITIGATION ACTION INFORMATION

Action Title:	<u>Montana Clean Truck, Bus & Airport Equipment Rnd 2 -</u>	Funding Request No:	<u>VWT_11</u>
Beneficiary's Project ID:	<u>VWT2025-11</u>		

PAYMENTS REQUESTED

(attach additional pages if needed)

Amount	Requested Date	Payee	Request Type
\$313,572.00	May 19, 2025	Montana Department of Environmental Quality	Advance

PAYEE CONTACT AND WIRE INFORMATION

(fill out both tables below for each payee and payment identified in "Payments Requested" table on p. 1; attach additional pages if needed)

PAYEE CONTACT INFORMATION

Action Title:	<u>Montana Clean Truck, Bus & Airport Equipment Rnd 2</u>	Beneficiary Project ID:	_____
Payee Name:	_____	Payee Contact Person:	<u>Neal Ullman</u>
Payee Address:	<u>1520 East 6th Ave. Helena, MT 59601</u>	Payee Email Address:	_____
Payee Phone:	<u>406-444-6582</u>	Payee Fax:	_____
Payee TIN:	<u>██████████</u>		

Payment Amount	Requested Date	Request Type
\$313,572.00	May 19, 2025	Advance

WIRE INFORMATION

Receiving Bank Name:	<u>US Bank, NA</u>
Receiving Bank Branch:	<u>Helena Branch</u>
Receiving Bank Address:	_____
Bank Swift ID:	_____ National Routing No. / Bank ABA Number <i>(Sort Code, BLZ)</i>
Amount of Wire:	_____
Message to Payee:	_____ <u>██</u>
Instructions to Receiving Bank:	_____
For Credit to:	_____
Other Special Instructions:	_____

[Signature Block]

Neal Ullman
Montana Department of Environmental Quality

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 Waclawski
 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
	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