

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATIONBeneficiary State of MontanaLead 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 - AGSE
Beneficiary's Project ID:	VWT2022-07
Funding Request No.	(sequential) 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>7. Airport Ground Support Equipment</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 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).
<small>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</small>

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).

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 personally identifiable information. (5.2.7.2)

DATED: 03/10/2022

Division Administrator

[NAME]

[TITLE]

Department of Environmental Quality

[LEAD AGENCY]

for

State of Montana

[BENEFICIARY]

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. [REDACTED] 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:	<u></u>
Lead Agency Phone:	<u>406-444-6582</u>	Lead Agency TIN:	<u></u>

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 - AGSE</u>	Funding Request No:	<u>VWT_007</u>
Beneficiary's Project ID:	<u>VWT2022-07</u>		

PAYMENTS REQUESTED

(attach additional pages if needed)

Amount	Requested Date	Payee	Request Type
\$245,538.80	3/11/2022	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:	Montana Clean Truck Bus & Airport Equipment - AGSE	Beneficiary Project ID:	VWT2022-07
Payee Name:	Montana Department of Environmental Quality	Payee Contact Person:	Neal Ullman
Payee Address:	1520 East 6th Ave. Helena, MT 59601	Payee Email Address:	neal.ullman@mt.gov
Payee Phone:	406-444-6582	Payee Fax:	
Payee TIN:			

Payment Amount	Requested Date	Request Type
\$245,538.80	3/11/2022	Advance

WIRE INFORMATION

Receiving Bank Name:	US Bank, NA		
Receiving Bank Branch:	Helena Branch		
Receiving Bank Address:	302 Last Chance Gulch, Helena, MT 59601		
Bank Swift ID:		National Routing No. / Bank ABA Number	
		(Sort Code, BLZ)	
Amount of Wire:			
Message to Payee:	Account name: State of Montana Federal ID # , Account # [REDACTED]		
Instructions to Receiving Bank:			
For Credit to:	VW Funding - Attn: Denise Kelly		
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)

DEQ set aside approximately 10% of the funds, or \$1.26 million to be available for eligible vehicle upgrades and replacements based on level of interest and demand due to vehicle technology advancements and other factors as authorized under Eligible Mitigation Actions 1-4, 6-8, & 10.

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 Actions 1, 2, 6 & 7. Four applications for three belt loaders and one push back tractor were received from the Missoula County Airport Authority (MSO). MSO owns and operates airport ground support equipment that are eligible for replacement under EMA7. Trust funds will help MSO replace three diesel belt loaders and one gasoline push back tractor with battery-electric replacements. The airport equipment will operate in Missoula County, which is a priority area identified in DEQ's Beneficiary Mitigation Plan. The equipment operates in an area that has high levels of PM-2.5 pollution, and diesel PM pollution when compared with the rest of Montana.

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 each of the pieces of airport equipment using the provided fuel type, usage, and replacement fuel. We estimate total reductions in NOx emissions of 730 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):

Airport equipment purchased by government airport authorities were eligible for reimbursement up to 70% of the cost of each new piece of equipment. MSO will receive a maximum of \$236,095 for replacement of three belt loaders and one push back tractor with new all-electric models and the charging infrastructure associated with each new equipment. MSO's estimated cost share will be 30% with a total purchase price expected to be \$337,280.

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 four pieces of airport equipment funded by this request will replace older diesel and gasoline equipment operating in Missoula County. Missoula County is identified in Montana's Beneficiary Mitigation Plan as a priority county based on annual mobile sources of nonroad NOx emissions. Missoula County is also one of the top counties for registrations of the offending Volkswagen diesel vehicles.

The service area in Missoula shows higher levels of poverty and pollution, asthma rates and other environmental and economic indicators when compared with the rest of Montana using EPA's EJSCREEN tool at (<https://www.epa.gov/ejscreen>). Replacing older airport equipment with electric equipment reduces exposure to diesel pollution in this area.

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 airport ground support equipment replacements under the Montana Clean Truck, Bus & Airport Equipment Program. The actions covered by this funding request are consistent with Eligible Mitigation Action 7 (Airport Ground Support Equipment) of the State Trust Agreement and with Montana's Beneficiary Mitigation Plan (page 8), which allocated 10 percent of Montana's Volkswagen EMT funding for on project demand.

AIRPORT GROUND SUPPORT EQUIPMENT TO BE FUNDED THROUGH THIS REQUEST

Three all-electric belt loaders and one all-electric push back tractor will be funded through this request. The successful applicant was the Missoula County Airport Authority.

PROJECT SCHEDULE AND TIMELINE, CLEAN AIRPORT EQUIPMENT PROJECT

Project Milestone	Date
Montana DEQ posts information and application materials on agency website; e-mail notification to Volkswagen Mitigation stakeholders list	28 September, 2021
Deadline for submission of applications	14 January, 2022
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	March 2022
Finalization of contracts with funding recipients	May 2022
Trustee allocates Advanced Funding to MTDEQ	May 2022
Montana DEQ reports on project progress	July 2022
Montana DEQ reports on project progress	December 2022
Montana DEQ reports on project progress	July 2023
Montana DEQ reports on project progress	December 2023
Montana DEQ reports on project progress	July 2023
Montana DEQ reviews reimbursement requests from recipients and provides payments for projects completed.	Q2 2022 – Q2 2023
Deadline for completion of airport equipment replacement project	January 2024
MTDEQ reports project completion	July 2024

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 airport equipment	\$236,095	\$101,185	\$337,280

Contractor Support	\$0	\$0	\$0
Subrecipient support	\$0	\$0	\$0
Administrative Costs (15%) Program planning, development, outreach, and administration	\$9,443.80	\$0	\$9,443.80
Project Totals	\$245,538.80	\$101,185	\$346,723.80
Percentage	70%	30%	100%

PROJECTED ANNUAL TRUST ALLOCATIONS

	2022	2023	2024
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$5,550,695.96	\$2,848,081.94	\$217,056.00
2. Anticipated Annual Cost Share	\$1,100,431.41	\$569,616.39	\$43,411.20
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$6,651,127.37	\$3,417,698.32	\$260,467.20
4. Cumulative Trustee Payments Made in Previous Years Against Cumulative Approved Beneficiary Allocation	\$3,986,590.10	\$9,537,286.06	\$12,385,368.00
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$5,550,695.96	\$2,848,081.94	\$217,056.00
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$9,537,286.06	\$12,385,368.00	\$12,602,424.00
7. Beneficiary Share of Estimated Funds Remaining in Trust at Start of Year	\$8,615,833.90	\$3,065,137.94	\$217,056.00
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$3,065,137.94	\$217,056.00	\$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 7 (Airport Ground Support Equipment) 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
Missoula County Airport Authority	Belt loader & charger	TLD	NBL-E	Electric	1	\$72,269
Missoula County Airport Authority	Belt loader & charger	TLD	NBL-E	Electric	1	\$72,269
Missoula County Airport Authority	Belt loader & charger	TLD	NBL-E	Electric	1	\$72,269
Missoula County Airport Authority	Push back tractor & charger	Lekto	AP8850SDA	Electric	1	\$129,473

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

Missoula County Airport Authority
 5225 Highway 10 West
 Missoula, MT 59808
 Phone: (406) 728-4381
 Fax: (406) 549-6103
 Website:

PURCHASE ORDER

DATE	2/24/2022
PO #	2022-23-01

VENDOR
 Aero Specialties
 Tony Cale
 11175 W. Emerald St.
 Boise, ID 83713
 Phone: (208) 378-9888
 Fax: (208) 378-9889

SHIP TO
 Missoula County Airport Authority
 Dan F. Neuman
 5225 Highway 10 West
 Missoula, MT 59808
 Phone: (406) 728-4381

Quote #	SHIP VIA	F.O.B.	SHIPPING TERMS
AS1Q3572			

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL
NBL-E	TLD NBL-E Beltloader	3	58,923.00	176,769.00
Shipping	Shipping	3	5,800.00	17,400.00
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-

SUBTOTAL	194,169.00
TAX	-
SHIPPING	-
OTHER	-
TOTAL	\$ 194,169.00

Comments or Special Instructions

(1) Purchase of the equipment is contingent upon execution of the Contracts with DEQ and (2) Delivery or costs cannot occur until MSO provides written notification to proceed.

If you have any questions about this purchase order, please contact
 Dan F. Neuman dneuman@flymissoula.com 406-370-3393 (C)

Missoula County Airport Authority
 5225 Highway 10 West
 Missoula, MT 59808
 Phone: (406) 728-4381
 Fax: (406) 549-6103
 Website:

PURCHASE ORDER

DATE	2/24/2022
PO #	2022-23-01

VENDOR

Fortbrand
 Nicole Romeo
 50 Fairchild Court
 Plainview, NY 11803
 Phone: (208) 378-9888
 Fax: (208) 378-9889

SHIP TO

Missoula County Airport Authority
 Dan F. Neuman
 5225 Highway 10 West
 Missoula, MT 59808
 Phone: (406) 728-4381

Quote #	SHIP VIA	F.O.B.	SHIPPING TERMS
AS1Q3572			

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL
AP 8850SDA	2022 Lektro Model AP 8850SDA-AL-100/50 Aircraft TUG	1	115,322.25	115,322.25
Shipping	Shipping	1	3,500.00	3,500.00
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-

SUBTOTAL	118,822.25
TAX	-
SHIPPING	-
OTHER	-
TOTAL	\$ 118,822.25

Comments or Special Instructions

(1) Purchase of the equipment is contingent upon execution of the Contracts with DEQ and (2) Delivery or costs cannot occur until MSO provides written notification to proceed.

If you have any questions about this purchase order, please contact Dan F. Neuman dneuman@flymissoula.com 406-370-3393 (C)