

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Maryland

Lead Agency Authorized to Act on Behalf of the Beneficiary Maryland Department of the Environment
(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:	MD Class 4-7 Vehicle Replacement
Beneficiary's Project ID:	MDVR-EMA-6
Funding Request No.	<i>(sequential)</i> 15
Request Type: (select one or more)	<input checked="" 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 checked="" type="checkbox"/> Other (specify): <u>Awarded Companies/Counties</u>
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>6 - Class 4-7 Local Freight Trucks</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	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attached	
Estimate of Anticipated NOx Reductions (5.2.3): See Attached	
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): See Attached	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Attached	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Attached	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attached	

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

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|---|
| <input 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 Maryland, 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: 9/9/20



George S. (Tad) Aburn, Jr.
Director, Air and Radiation Administration|
Maryland Department of the Environment
[LEAD AGENCY]

for
Maryland
[BENEFICIARY]

**Appendix D-4 – Supplemental Information
Beneficiary Eligible Mitigation Action Certification**

Beneficiary: Maryland

Lead Agency: Maryland Department of the Environment

In support of funding request no. 15

MD Class-4-7 Vehicle Replacement

Appendix D4 – Summary

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

This D-4 covers Class 4-7 Local Freight Trucks. Projects in this D-4 were submitted by both private companies and local governments. Eligibility for funding under Maryland’s Volkswagen Plan was detailed on page 13 for private companies and page 14-16 for local governments. These projects were selected based on a competitive process.

Ten project partners were selected for funding and included in this D-4 submission. These companies and counties will utilize a total of \$5,672,932.55 from the Volkswagen Settlement to replace 153 heavy-duty diesel vehicles with new diesel and alternative fueled heavy-duty trucks.

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

Baltimore City will utilize Volkswagen Trust Funds to cover 80% of the cost to replace two load packers with all-new electric trash trucks. \$489,600 of the total project budget of \$612,000 will come from the Volkswagen Settlement.

The town of Capitol Heights will utilize VW Trust Funds to cover 80% of the cost to replace one 2004 Ford F-550 Dump truck with a new Ford F-550 propane-powered Dump truck. \$64,800 of the total project budget of \$81,000 will come from the VW Settlement.

Howard County will utilize VW Trust Funds to cover 75% of the cost to replace five 2005 diesel dump trucks with new diesel dump trucks. \$644,475 of the total project budget of \$859,300 will come from the VW Settlement.

Howard County Public Schools will utilize VW Trust Funds to cover 79% of the cost to replace 10 Class 7 Dump Trucks, 6 Class4/5 Dump Trucks, and 6 Class 4/5 Stake Truck with new diesel trucks of the same class. \$1,537,721.55 of the total project budget of \$1,948,950 will come from the VW Settlement.

Prince George's County will utilize VW Trust Funds to cover 80% of the cost to replace six diesel trucks from MY 1999 with new propane trucks. \$640,000 of the total project budget of \$800,000 will come from the VW Settlement.

Baltimore Compost will utilize VW Trust Funds to cover 25% of the cost to replace one diesel trash truck with a new diesel trash truck. \$10,000 of the total project budget of \$40,000 will come from the VW Settlement.

BFI Waste will utilize VW Trust Funds to cover 9% of the cost to replace ninety-six diesel trash trucks with new diesel trash trucks. \$1,835,002 of the total project budget of \$20,388,909 will come from the VW Settlement.

JK Moving will utilize VW Trust Funds to cover 25% of the cost to replace ten diesel trucks from between MY2001-2005 with new diesel trucks. \$275,000 of the total project budget of \$1,100,000 will come from the VW Settlement.

Marshall Jr. Hauling will utilize VW Trust Funds to cover 25% of the cost to replace one diesel waste hauler with a new diesel waste hauler. \$37,500 of the total project budget of \$150,000 will come from the VW Settlement.

Sysco will utilize VW Trust Funds to cover 21.4% of the cost to replace nine diesel trucks with new diesel trucks. \$138,834 of the total project budget of \$771,246 will come from the VW Settlement.

Many of these companies operate in and around the City of Baltimore, an area of Maryland that continues to experience high levels of ground level ozone, as well as other harmful pollutants. These freight trucks, dump trucks, and trash haulers operate in and around neighborhoods that are often disproportionately burdened by harmful pollutions. Replacing these aging vehicles with newer, cleaner diesel and alternative fueled trucks will provide direct and lasting benefits to the areas covered by the companies and local governments.

MDE expects these projects in total to result in the following reductions in air pollutants:

Pollutant	NOx	PM 2.5	GHG
Pollution Reduction (Lifetime Tons)	399.5	1.08	191.8

Estimate of Anticipated NOx Reductions (5.2.3):

Annual NOx reductions are estimated to be 22.3 Tons. Lifetime NOx reductions are estimated to be 399.5 Tons.

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):

The Maryland Department of the Environment is responsible for all Volkswagen Mitigation Plan projects in Maryland.

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

All documentation will be made publicly available on the Maryland Department of the Environment's Maryland Volkswagen Mitigation Plan website. This site can be found at:

<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>

Describe any cost share requirements to be placed on each NOx Source proposed to be mitigated (5.2.8):

The vehicles being replaced under this funding request are all owned and operated by either private companies or local governments. As required by the Volkswagen Settlement, each awarded company has agreed to provide at least the minimum amount of matching funds as required by either the Trustee or Maryland. In Maryland's Beneficiary Mitigation Plan, Local Governments were required to provide at least a 20% match in order to be eligible for funding.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to U.S. Government Agencies (5.2.9):

The Maryland Department of the Environment sent the required notifications to the specified U.S. Government Agencies on February 27th, 2018.

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):

Many of these companies operate in and around the City of Baltimore, an area of Maryland that continues to experience high levels of ground level ozone, as well as other harmful pollutants. These freight trucks, dump trucks, and trash haulers operate in and around neighborhoods that are often disproportionately burdened by harmful pollutions. Replacing these aging vehicles with newer, cleaner diesel and alternative fueled trucks will provide direct and lasting benefits to the areas covered by the companies and local governments.

ATTACHMENT B

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Request for Proposals announced	2/13/19
Request for Proposals Application Deadline	5/6/19
MDE Reviews applications for Transit Bus Replacement Program	Feb 2020
MDE Submits Funding Request to Trustee –Appendix D-4	September 2020
Trustee Acknowledges Receipt of Project Certification and Funding Direction	Receipt from Trustee
Trustee Allocates Share of State Funds for Approved Project	Transfer Date
Grant Agreements signed with selected award recipients	CY 2020, Q3
Project Sponsor provides detailed invoices for all claimed project costs, proof of destruction, required certification documents to MDE to support direction to Trustee for Payment (Reimbursement).	CY 2021, Q1
MDE completes review and certifies payment direction to Trustee (Reimbursement)	CY 2021, Q1
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	CY 2021, Q1
Project Sponsor Certifies Project Completion	CY 2021, Q1
MDE Reports Project Completion	CY 2021, Q1

PROJECT BUDGET

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, paid by Companies	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$26,751,405	\$5,672,932.55	\$21,078,472.45	NA
2. Contractor Support	\$0	\$0	\$0	NA
3. Subrecipient Support	\$0	\$0	\$0	NA
4. Administrative	\$56,730	\$56,730	\$	NA
Project Totals	\$26,808,135	\$5,729,662.55	\$21,078,472.45	NA
Percentage	100%	21.4%	78.6%	%

PROJECTED TRUST ALLOCATIONS:

	2020
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$5,729,662.55
2. Anticipated Annual Cost Share	\$21,078,472.45
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$26,808,135
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0
5. Cumulative Approved Beneficiary Allocation	\$24,481,378.97
6. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$5,729,662.55
7. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 6)	\$5,729,662.55
8. Total Fund Approved for Beneficiary, inclusive of Current Action by Year (line 5 plus line 6)	\$30,211,041.52
9. Beneficiary Share of Estimated Funds Remaining in Trust	\$78,033,000
10. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 9 minus line 7)	\$72,303,337.45
11. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions Approved by Trustee (line 9 minus line 8)	\$47,821,958.48

ATTACHMENT C
DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The Maryland Department of the Environment (MDE) will provide detailed reporting on this Environmental Mitigation Trust projects in two ways:

1. Updates to MDE's Volkswagen Mitigation Trust webpage (<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>)
2. Maryland's semiannual reporting obligation to Wilmington Trust.

MDE maintains a VW Mitigation Trust webpage to provide information and updates to the public in a timely manner. MDE will utilize the webpage to inform the public of project awards and make all documents received publicly available by posting them on that page.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Maryland'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 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to 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 Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

In MDE's semiannual report following the Trustee's approval of this project, MDE will describe the progress of implementing this Eligible Mitigation Action and include a summary of all costs expended on the Eligible Mitigation Action through the reporting date. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

**ATTACHMENT D
 DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED
 EXPENDITURE EXCEEDING \$25,000**

Applicants were asked to submit the total cost for each replacement project. Each applicant provided estimates for the purchase of their requested new Class 4-7 trucks. Each company will provide the matching funds required under the VW Settlement.

Company	Number of Trucks	Fuel Type	Average Vehicle Cost (Inc. charging infrastructure when applicable)	Total Replacement Cost	VW Share
Baltimore City	2	Electric	\$306,000	\$612,000	\$489,600
Capitol Heights	1	Propane	\$81,000	\$81,000	\$64,800
Howard County	5	Diesel	\$171,860	\$859,300	\$644,475
Howard County Public Schools	22	Diesel	10 Class 7 - \$128,895 6 Class 4/5-Dump Truck - \$65,000 6 Class 4/5-Stake Truck - \$45,000	\$1,948,950	\$1,537,721.55
Prince George's County	6	Propane	\$133,333	\$800,000	\$640,000
Baltimore Compost	1	Diesel	\$40,000	\$40,000	\$10,000
BFI Waste	96	Diesel	49 - Roll Off - \$170,164.53 30 - Front End Loader - \$246,374.22 15 - Rear Loader - 268,043.22 2 - Automated Side Loader - \$319,486.05	\$20,388,909	\$1,835,002
JK Moving	10	Diesel	\$110,000	\$1,100,000	\$275,000
Marshall Jr. Hauling	1	Diesel	\$150,000	\$150,000	\$37,500
Sysco	9	Diesel	\$85,694	\$771,246	\$138,834

