

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 State Projects MDOT (EMA-1)
Beneficiary's Project ID:	MDOT-2-2020
Funding Request No.	<i>(sequential)</i> 7
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>Maryland Department of Transportation</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 Action Type	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>1-Class 8 Local Freight Trucks and Port Drayage Trucks</u> <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)

- 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 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: 4/30/20



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. 7

MD State Projects MDOT (EMA-1)

Appendix D4 – Summary

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

This funding request falls under the State Agency Projects that are detailed starting on page 18 of Maryland's Beneficiary Mitigation Plan (BMP) through page 20. Specifically the projects outlined for this funding request are detailed on page 18, under Section D(2): Maryland Port Administration (MPA) and on page 19, under Section D(4): Maryland State Highway Administration (SHA). This funding request will be used to replace older Class 8 heavy-duty diesel trucks that are operated by MPA and SHA with new diesel-powered Class 8 heavy-duty trucks.

The projects as currently represented are slightly different than what was included in Maryland's BMP from February 13th, 2019. MPA's project under Eligible Mitigation Action 1 now requests funding for eleven vehicles, down from fourteen in the BMP. SHA's project now requests funding for eight vehicles, down from the twenty-one originally requested in the BMP. These reductions in vehicles are necessary since some of the vehicles originally included in Maryland's BMP have been replaced since the Plan was finalized, as well as a desire to shift some Volkswagen Mitigation Funds from these vehicle replacements to other State Agency projects that help further Maryland's emission reduction goals.

This funding request focuses on Eligible Mitigation Action 1 – Class 8 Local Freight Trucks and Port Drayage Trucks, and will use \$3,241,920 to replace 19 older Heavy-Duty Diesel Trucks with new Heavy-Duty Diesel Trucks. MPA will use \$1,764,375 from the VW Trust to replace eleven of their oldest diesel heavy-duty trucks with new diesel heavy-duty trucks and SHA will use \$1,477,545 from the VW Trust to replace eight of their oldest diesel heavy-duty trucks with new diesel heavy-duty trucks.

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

The Maryland Port Administration will replace eleven of their oldest heavy-duty trucks with new lower emission heavy-duty diesel trucks. The total cost to replace these twelve trucks is \$1,875,000. MPA is committed to providing \$110,625 in matching funds and has requested \$1,764,375 from Maryland’s Volkswagen Trust Funds to help fund this project. The eleven vehicles being replaced are all between 1999 model year and 2009 model year heavy-duty diesel trucks.

These trucks operate in and around the Port of Baltimore, an area of the state heavily burdened by harmful vehicle emissions. Baltimore City is a designated nonattainment area in Maryland and ranks as one of the worst areas of the United States for elevated air pollution levels. The Port of Baltimore contributes to the emission problem in Baltimore in its effort to facilitate the vehicle traffic associated with port goods movements.

SHA will replace eight of their oldest heavy-duty diesel trucks with new lower emission heavy-duty diesel trucks. The total cost to replace these eight trucks is \$1,570,186. SHA is committed to providing \$92,641 in matching funds and has requested \$1,477,545 from Maryland’s Volkswagen Trust Funds to help fund this project. The eight vehicles being replaced are between 2001 model year nad 2006 model year heavy duty diesel trucks.

MDE expects these projects to result in the following NOx reductions:

Pollutant	NOx
Pollution Reduction (Lifetime Tons)	5.11

Estimate of Anticipated NOx Reductions (5.2.3):

Annual NOx reductions are estimated to be .426 Tons. Lifetime NOx reductions are estimated to be 5.11 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 publically 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):

MPA and SHA are both Transportation Business Units of the Maryland Department of Transportation (MDOT). As a state agency, they are therefore eligible for 100% funding through the VW Settlement. However, MPA and SHA will each provide a 5.9% match for the replacement of their heavy-duty diesel trucks.

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):

The Maryland Port Administration's heavy-duty diesel vehicles operate in and around the Port of Baltimore, an area of the state heavily burdened by harmful vehicle emissions. Baltimore City is a designated nonattainment area in Maryland and ranks as one of the worst areas of the United States for elevated air pollution levels. The Port of Baltimore contributes to the emission problem in Baltimore in its effort to facilitate the vehicle traffic associated with port goods movements.

Replacing the aging vehicles with newer, cleaner diesel trucks will provide direct and immediate emissions benefits to those working and living around the Port of Baltimore, an area of the State that continues to bear a disproportionate amount vehicle emissions due to the nature of port goods movement.

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 State Agency Projects	Jan/Feb 2020
MDE Submits Funding Request to Trustee –Appendix D-4	Apr 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, Q2
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, Q2
MDE completes review and certifies payment direction to Trustee (Reimbursement)	CY 2021, Q2
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	CY 2021, Q2
Project Sponsor Certifies Project Completion	CY 2021, Q2
MDE Reports Project Completion	CY 2021, Q2

PROJECT BUDGET

Period of Performance:				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, paid by MDOT TBUs	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$3,445,186	\$3,241,920	\$203,266	NA
2. Contractor Support	\$0	\$0	\$0	NA
3. Subrecipient Support	\$0	\$0	\$0	NA
4. Administrative	\$32,419	\$32,419	\$	NA
Project Totals	\$3,477,605	\$3,274,339	\$203,266	NA
Percentage	100%	94.2%	5.8%	%

PROJECTED TRUST ALLOCATIONS:

	2020
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$3,274,339
2. Anticipated Annual Cost Share	\$203,266
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$3,477,605
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$3,274,339
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$3,274,339
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$78,033,000
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$74,758,661

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**

Each of MDOT's Transportation Business Units (TBU) submitted estimates for the total cost for each replacement vehicle. Replacement vehicles under the State Agency Program are reimbursable based on the final invoice. Trust Funds are eligible to cover 100% of the amount of the replacement vehicle, however, each TBU will provide matching funds to help cover a portion of the project's cost.

MDOT TBU	Vehicle being replaced	Replacement Cost	VW Funds Requested
Maryland Port Administration	1999 International 4700 Flat Bed	\$130,000	\$122,330
Maryland Port Administration	2008 GMC – C8500 Dump Truck	\$155,000	\$145,855
Maryland Port Administration	2008 GMC – C8500 Dump Truck	\$155,000	\$145,855
Maryland Port Administration	2008 GMC – C8500 Dump Truck	\$155,000	\$145,855
Maryland Port Administration	2002 Ford F550 Reg Cab	\$130,000	\$122,330
Maryland Port Administration	2002 Ford F550 Crew Cab	\$130,000	\$122,330
Maryland Port Administration	2009 Sterling L7500 Dump Truck	\$155,000	\$145,855
Maryland Port Administration	2009 Sterling L7500 Dump Truck	\$155,000	\$145,855
Maryland Port Administration	2006 Freightliner M2/106	\$175,000	\$164,675
Maryland Port Administration	1999 International 2674 Tractor	\$160,000	\$150,560
Maryland Port Administration	2002 GMC C8500 ECI-4-85 Aerial	\$375,000	\$352,875
State Highway Administration	2001 Sterling L7500 Dump Truck	\$161,000	\$151,501
State Highway Administration	2001 International 4700	\$161,000	\$151,501
State Highway Administration	2002 International 2574 Dump Truck	\$184,613	\$173,720.83
State Highway Administration	2002 International 2574 Dump Truck	\$184,613	\$173,720.83
State Highway Administration	2002 international 2574 Dump Truck	\$184,613	\$173,720.83
State Highway Administration	2006 Sterling L9500 Dump Truck	\$184,613	\$173,720.80

State Highway Administration	2001 International 4700 Dump Truck	\$254,867	\$239,829.85
State Highway Administration	2004 Sterling LT9500 Dump Truck	\$254,867	\$239,829.85