

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Tennessee

Lead Agency Authorized to Act on Behalf of the Beneficiary Tennessee Department of Environment and Conservation
(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:	STATE OF TENNESSEE TRANSIT AND SHUTTLE BUS GRANT
Beneficiary's Project ID:	ENVWTRANSITBUS
Funding Request No.	<i>(sequential)</i> 12
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 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>Eligible Mitigation Action Category #2, Class 4-8 Transit Bus or Shuttle Bus</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): Tennessee Department of Environment and Conservation	
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 Tennessee, 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: 8/2/2021

Molly R. Cripps, Director, TDEC OEP - TDEC Compliance Coord.

[NAME]

[TITLE]

Tennessee Department of Environment and Conservation

[LEAD AGENCY]

for

Tennessee

[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 the Tennessee Department of Environment and Conservation [insert Lead Agency] to act on behalf of Beneficiary Tennessee under the Mitigation Trust, [Lead Agency] directs the Trustee to make the following payments from its subaccount no. 122969-031 to the following payees, for the amounts specified on the dates specified below.

LEAD AGENCY INFORMATION

Beneficiary Name:	<u>Tennessee</u>	Lead Agency Contact Person:	<u>Molly R. Cripps</u>
Lead Agency Name:	<u>Tennessee Department of Environment and Conservation</u>	Lead Agency Email Address:	<u>molly.cripps@tn.gov</u>
Lead Agency Address:	<u>312 Rose L. Parks Ave., 2nd Floor, Nashville, TN 37241</u>	Lead Agency Fax:	<u>615-741-5070</u>
Lead Agency Phone:	<u>615-741-2994</u>	Lead Agency TIN:	<u>626001445</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>STATE OF TENNESSEE TRANSIT AND SHUTTLE BU</u>	Funding Request No:	<u>12</u>
Beneficiary's Project ID:	<u>ENVWTRANSITBUS</u>		

PAYMENTS REQUESTED

(attach additional pages if needed)

Amount	Requested Date	Payee	Request Type
\$1,624,479.90	8/2/2021	STATE OF TENNESSEE TREASURY	Reimbursement

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION SUMMARY ATTACHMENT

(All terms that are both bolded and italicized in this document are defined in Appendix D-2 of the State Trust Agreement.)

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

Section V.B.ii. of the State of Tennessee's Beneficiary Mitigation Plan states:¹

Of the \$27,455,948.64 to be dedicated to the *Class 4-8 School Bus, Shuttle Bus, and Transit Bus* category, the State will allocate \$16,000,000 to eligible *Class 4-8 Transit and Shuttle Bus* projects.

Eligible *Transit and Shuttle Buses* may be replaced with any *Alternate Fueled* or *All-Electric* vehicle. The replacement of *Transit and Shuttle Buses* with new diesel vehicles will not be considered eligible under this Environmental Mitigation Action sub-category, as the majority of interest expressed by potential applicants during the State's comment periods was focused on *Alternate Fueled* or *All-Electric Repower* or replacement projects. For purposes of the State's Beneficiary Mitigation Plan, *Repowers* of *Class 4-8 Transit and Shuttle Buses* with any new *All-Electric* engine shall be considered eligible. All other *Repowers* under this Environmental Mitigation Action sub-category will not be considered eligible, as these types of vehicle modifications were found to not be commercially viable.

Additionally, Section V.D. of the State of Tennessee's Beneficiary Mitigation Plan speaks to the intended use of allowable administrative expenditures for each Eligible Mitigation Action category.²

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

After conducting a comprehensive review of all grant applications, TDEC selected three grantees that will replace a total of nine engine model year 2009 or older *Transit Buses* with six *All-Electric* and three diesel-*Hybrid Transit Buses*.

The new *Transit Buses* will reduce NOx emissions associated with the older (pre-2009) diesel *Transit Buses* to be *Scrapped*. Of the *Transit Buses* to be funded, all nine will operate 70% or more of the time in former nonattainment areas for ozone and/or fine particulates (PM2.5) National Ambient Air Quality Standards.³

Estimate of Anticipated NOx Reductions (5.2.3):

These projects are expected to yield NOx emissions reductions of an estimated 17,027.46 pounds, or 8.51 tons, over the lifetime of the new vehicles. This estimate was calculated using the Argonne Heavy Duty Vehicle Emissions Calculator.

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

¹ State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

² State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

³ Tennessee Nonattainment/Maintenance Status for Each County by Year for All Criteria Pollutants, https://www3.epa.gov/airquality/greenbook/anayo_tn.html.

Please see the Attachment to the State of Tennessee's Certification for Beneficiary Status under the Environmental Mitigation Trust,⁴ which details how the State of Tennessee will make documentation publicly available.

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

Section V.B.ii. of the State of Tennessee's Beneficiary Mitigation Plan states:⁵

For eligible *Shuttle and Transit Buses*, the State will fund:

- Up to 25% of the cost of a *Repower* or replacement for Non-Government Owned projects;
- Up to 50% of the cost of a *Repower* or replacement for *Government* Owned projects;
- Up to 75% of the cost of a *Repower* or replacement for *Government* Owned projects in current or former nonattainment areas for Ozone and/or PM2.5 NAAQS; and
- Up to 75% of the cost of a *Repower* or replacement for *Government* Owned projects in Distressed Counties.

For *All-Electric* projects, the State will fund up to 25% of the acquisition and installation costs for associated charging infrastructure (*All-Electric* infrastructure costs) for Non-Government Owned projects and up to 50% of the *All-Electric* infrastructure costs for *Government* Owned projects.

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

Please see Appendix 3 (Notice of Availability of Mitigation Action Funds to Certain Federal Agencies) of the State of Tennessee's Beneficiary Mitigation Plan, which details how the Beneficiary complied with subparagraph 4.2.8 of the State Trust Agreement.⁶

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):

Please see Section VI. of the State of Tennessee's Beneficiary Mitigation Plan. This section sets forth the method by which the Tennessee Department of Environment and Conservation will consider the potential beneficial impact of selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden.⁷

⁴ Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement.

[https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/Tennessee%20Appendix%20D-3%20form%20\(executed%20and%20filed\).pdf](https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/Tennessee%20Appendix%20D-3%20form%20(executed%20and%20filed).pdf)

⁵ State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

⁶ State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

⁷ Ibid.

ATTACHMENT B**PROJECT MANAGEMENT PLAN – PROJECT SCHEDULE AND MILESTONES**

Transit and Shuttle Bus Grant Program Milestone	Date
Lead Agency Requests / Secures Delegated Grant Authority	Requested: October 2019 / Secured: March 2020
Solicitation Release	September 10, 2019
Application Deadline	November 19, 2019
Selected Grantees Announced	May 20, 2020
Draft Grant Contracts Sent to Grantees for Signature	April-June 2020
Grant Contracts Finalized	April-June 2020
Grant Contract Begin Date	April-June 2020
Trustee Acknowledges Receipt of Project Certification and Funding Direction	January 14, 2020 (Trustee acknowledged receipt of December 16, 2019 submission of D-4)
Grantees complete quarterly, annual, and final reports, as required by the Grant Contract	April 2020-June 2027
Lead Agency conducts on-site and desktop monitoring of all Grantees	April 2020-June 2022
Grantees certify project completion and provide detailed invoices for all claimed project costs, documentation for emissions reduction estimates, required certification documents to Lead Agency to support direction to Trustee for Payment	January 2021-June 2022
Lead Agency completes review of project reimbursement supporting documentation and certifies payment direction to Trustee	March 2021-December 2022
Trustee Acknowledges Receipt of Direction for Payment(s)	April 2021-January 2023
Trustee Allocates Share of State Funds for Approved Project (to coincide with vehicle purchase/delivery/deployment and corresponding scrappage)	February 2020 (first payment from Trustee)- February 2023
Grant Contract End Date	December 2022
Grant Closeout / Lead Agency Reports Project Completion	March 2023-July 2023

PROJECT BUDGET

Period of Performance: November 2018-February 2023

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable
Subrecipient Awards (See Attachment D for List of Approved Grantees and Corresponding Funding Ceilings)	\$7,905,146.04	\$5,690,860.50 (Note: this reflects the amount obligated to projects to date)	\$2,214,285.54
Administrative	\$569,086.50	\$569,086.50 (Estimated: 10% of obligated project funds)	N/A
Project Totals	\$8,474,233.54	\$6,259,947.00	\$2,214,285.54
Percentage	100%	74%	26%

PROJECTED TRUST ALLOCATIONS

	2021	2022
Anticipated Annual Project Funding Request to be paid through the Trust	\$1,620,506.25	\$3,994,953.00
Anticipated Annual Cost Share	\$565,302.54	\$1,648,983.00
Anticipated Total Project Funding by Year (line 1 plus line 2)	\$2,185,808.79	\$5,643,936.00
Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0	\$0
Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$1,620,506.25	\$3,994,953.00
Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$1,620,506.25	\$3,994,953.00
Beneficiary Share of Estimated Funds Remaining in Trust	\$44,360,000.00 (Based on principal assets + total income assets from June 2021 statement, rounded down to the nearest 10 thousand)	\$42,739,493.75
Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$42,739,493.75	\$38,744,540.75

ATTACHMENT C

DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The Tennessee Department of Environment and Conservation (TDEC) will provide detailed reporting on this Environmental Mitigation Trust project in two ways:

1. Timely updates to TDEC's *Tennessee and the Volkswagen Diesel Settlement* public-facing webpage (also referred to as the "TDEC Webpage," which can be accessed at www.tn.gov/environment/VWSettlement);
2. Tennessee's semiannual Beneficiary Reporting Obligations to Wilmington Trust (the "Trustee").

After being identified by the Governor as Lead Agency, TDEC launched the TDEC Webpage to provide information regarding the Environmental Mitigation Trust and eligible mitigation actions. The State of Tennessee's Beneficiary Mitigation Plan and all documentation and records submitted by the Beneficiary in support of each funding request to the Trustee will be available to the public on the TDEC Webpage. Timely updates to the TDEC Webpage will inform the general public on the projects' status as well as when these projects have been completed.

Tennessee will comply with Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, which details the following Beneficiary 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.

To assist Tennessee in fulfilling its Beneficiary Reporting Obligations, Grantees under TDEC's *Transit and Shuttle Bus* Grant Program will be required to submit quarterly, annual, and final reports on their funded vehicle *Repower* or replacement projects. Details on each Grantee's required reporting are outlined in a Transit and Shuttle Bus Grant Program Manual⁸ and are provided below:

A. Quarterly Reporting

⁸ State of Tennessee Volkswagen Diesel Settlement Environmental Mitigation Trust Transit and Shuttle Bus Grant Program Manual, https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TransitandShuttleBusGrantProgramManual_Final.pdf.

Section A.2.d. of the Grant Contract states that the Grantee must submit quarterly reports to include updates on procurement, vehicle operator training, and refueling infrastructure until the grant-funded *Transit or Shuttle Bus(es)* is purchased, delivered, and put into service, and the *Transit or Shuttle Bus(es)* to be replaced is *Scrapped*. Such reports shall include a complete description of the status of the project (including actual or projected termination date), development, implementation, and any modification. A quarterly report template is provided in **Appendix A** of the Grant Contract. Quarterly reports shall be due no later than January 10, April 10, July 10, and October 10 of each year of the Grant Contract term.

B. Annual Reporting

Section A.2.e. of the Grant Contract states that the Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. Such reporting shall include those items listed in Section D.18 (Annual and Final Reports) of the Grant Contract, as well as the demonstrated usage of fuel in purchased vehicles, the number of diesel gallon equivalents (DGEs) or gallons purchased, purchase price, refueling locations, miles driven, driving or route habits, metrics regarding emissions reductions, and savings or cost avoidance.

In addition, the Grantee will be responsible for compiling and submitting annual reports on fuel usage and vehicle operations for a period of five years, to begin following vehicle procurement, delivery, and the placement of vehicles into service. These reports may be combined with the annual report requirements noted in Section D.18 during the Grant Contract Term, where possible. Following the close of the Grant Contract Term, these reports shall be due no later than 30 days after the close of the Grantee's fiscal year. The obligations set forth in Section A.2.e. shall survive the expiration of the Grant Contract. An annual report template is provided in **Appendix B**.

C. Final Report

Sections A.2.f. and D.18. of the Grant Contract require the Grantee to submit a final project report (**Appendix C**) within three months of the completion of the Grant Contract Term. (Please note that this report may be combined with the annual report for the final year of the grant period.) In addition to the information requested for the annual report, the final project report must also include cumulative financial information to match the final reimbursement request as well as inventory documentation for all equipment or vehicles purchased with funding through the Grant Contract. The inventory documentation must include, at a minimum, the following:

- a. Description of the equipment or vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment or vehicles are used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

NOTE: Failure to submit quarterly, annual, or final reports may result in the required refund of any and all payments made to the Grantee by the State.

D. Scrappage

Section A.2.b. of the Grant Contract states that all eligible *Transit and Shuttle Buses* to be replaced under this program must be *Scrapped* within sixty (60) days of new vehicle delivery. “*Scrapped*” shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block and to disable the chassis by cutting the vehicle’s frame rails completely in half. Grant funding shall not cover costs associated with scrappage of eligible *Transit or Shuttle Buses* to be replaced.

Scrappage may be completed by the Grantee or by a salvage yard, or similar service, provided all scrappage requirements are met and all necessary documentation is provided. The Proof of Scrappage activity within the online Grants Management System (GMS) includes two tabs (“Proof of Scrappage” and “Photo Uploads”) and must be completed by the Grantee and approved by TDEC OEP prior to moving forward with the reimbursement process. An individual Proof of Scrappage activity must be completed for each vehicle Scrapped under the Grant Program (i.e., if your organization has been approved to replace five vehicles, your organization will complete five individual Proof of Scrappage activities).

Scrappage documentation submitted within the GMS must include JPEG images of the following with corresponding file names. Please append the last four digits of the Transit or Shuttle Bus’ VIN to the file name (e.g., SideProfile1234.jpg):

	Photo	File Name (insert last four digits of VIN for “####”)
1	Side profile of the Transit or Shuttle Bus	SideProfile####.jpg
2	Vehicle Identification Number (VIN) label	VIN####.jpg
3	Engine plate showing the EPA engine family name	EngineTag####.jpg
4	Chassis rail cut in half	Chassis####.jpg
5	Engine block, prior to the hole being drilled	EngineBlockPrior####.jpg
6	Engine block, after the hole has been drilled	EngineBlockAfter####.jpg

Please see **Appendix D** for example scrappage photos.

The Grantee must also provide a letter on their letterhead or on the letterhead of the salvage yard that performed the service confirming that the scrappage requirements have been met. The letter must be signed by the salvage yard that performed the service, or, if the Grantee performs the scrappage service themselves, by the Grantee signatory listed in the Grant Contract. A template of the letter may be found in **Appendix E**. The letter must include:

- The date the *Transit or Shuttle Bus(es)* was *Scrapped*.

- A listing of the *Transit or Shuttle Bus(es)* with engine model year and VIN; and
- The name and contact information for the entity that *Scrapped* the *Transit or Shuttle Bus(es)*.

E. Vehicle Disposition

Section D.27. of the Grant Contract addresses rules for disposition of grant-funded vehicles. Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of Environment and Conservation as appropriate and in accordance with any applicable federal laws or regulations.

TDEC shall, in the next semiannual report following the Trustee's approval of this project, describe the progress implementing this Eligible Mitigation Action that will 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 (include 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

After conducting a comprehensive review of all grant applications, TDEC selected three grantees that will replace a total of nine engine model year 2009 or older *Transit Buses* with six *All-Electric* and three diesel-*Hybrid Transit Buses*. Details on these Grantees and their associated vehicle projects can be found in the table below.

Grantee	Fuel Type	# of Buses	Grant Amount Requested	Applicant's Cost Share	Total Purchase Cost
Chattanooga Area Regional Transportation Authority	All-Electric	3	\$1,882,203.00	\$659,733.00	\$2,541,936.00
City of Knoxville (Knoxville Area Transit)	Diesel-Hybrid	3	\$1,695,907.50	\$565,302.54	\$2,261,210.04
Memphis Area Transit Authority	All-Electric	3	\$2,112,750.00	\$989,250.00	\$3,102,000.00

At the time of reimbursement request, Grantees under the *Transit and Shuttle Bus* Grant Program must submit to TDEC cost invoices along with all required supporting documentation. Eligible costs under this Program are limited to (1) the purchase costs of eligible *Transit and Shuttle Buses*, (2) the cost of a *Repower* with a new *All-Electric* engine, including the cost of installation of such engine, and (2) the acquisition and installation costs for associated *All-Electric* infrastructure, if applicable. The total purchase cost of eligible *Transit and Shuttle Buses* may include required costs to acquire the vehicle(s), such as taxes and delivery fees. Non-engine equipment costs associated with the *Repower* of a vehicle to a certain *All-Electric* technology (e.g., the cost of battery packs) shall be considered eligible for reimbursement. Costs not integral to *Transit or Shuttle Bus* function (e.g., idle reduction technologies, optional diesel after-treatment devices, etc.) cannot be considered eligible for reimbursement. Invoices provided as supporting documentation along with reimbursement requests must detail any such costs in an itemized fashion.

Grantee instructions for completing and submitting an invoice are outlined in a *Transit and Shuttle Bus* Grant Program Manual⁹ and are provided below:

Section C.5 of the Grant Contract states that the Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation... Each invoice shall clearly and accurately detail all of the following required information:

- a. Invoice/Reference Number (assigned by the Grantee);
- b. Invoice Date;
- c. Invoice Period (to which the reimbursement request is applicable);
- d. Grant Contract Number (assigned by the State);
- e. Grantor: Department of Environment and Conservation, Office of Energy Programs
- f. Grantor Number (assigned by the Grantee to the above-referenced Grantor);
- g. Grantee Name;
- h. Grantee Tennessee Edison Registration ID Number Referenced in Preamble of the Grant Contract;
- i. Grantee Remittance Address;
- j. Grantee Contact for Invoice Questions (name, phone, or fax); and
- k. Itemization of Reimbursable Requested for the Invoice Period – it must detail, at minimum, all of the following:

⁹ State of Tennessee Volkswagen Diesel Settlement Environmental Mitigation Trust Transit and Shuttle Bus Grant Program Manual, https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TransitandShuttleBusGrantProgramManual_Final.pdf.

- l. The amount requested by Grant Budget line-item;
- m. The amount reimbursed by Grant Budget line-item to date;
- n. The total amount reimbursed under the Grant Contract to date; and
- o. The total amount requested (all line-items) for the Invoice Period.

...Invoices shall be submitted along with supporting documentation in the form of cancelled checks, confirmation of payment, and signed donation letters, in order to verify all expenditures and cost share contributions. Invoices must also be accompanied by scrappage documentation in the form of images... and a scrappage certification letter...

Grant payments will be made electronically to the account specified on the Automated Clearing House (ACH) form, to be completed by the Grantee.

Detailed supporting documentation (grantee invoices to TDEC, vendor invoices to grantees, and proof of payment) for eligible ***Class 4-8 Transit and Shuttle Bus*** replacements will be provided to the Trustee along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

Supporting Documentation (Grantee Invoices to TDEC, Vendor Invoices to Grantees, and Proof of Payment) for Transit and Shuttle Bus Reimbursement Requests

Grantee Name	Date Approved	Payment Date	Amount Paid
City of Knoxville	6/21/2021	7/7/2021	\$1,620,506.25

TOTAL REIMBURSED: \$1,620,506.25

Invoice #	Invoice Period	Grant Contract #	Grantee Edison ID
32701-04059-1	4/13/2020-4/30/2021	32701-04059	0000004088

BILL TO:	FROM:	DATE:
Tennessee Department of Environment and Conservation, c/o Alexa Voytek 312 Rosa L. Parks Ave. Nashville, TN 37243 615-532-0238 alexa.voytek@tn.gov	City of Knoxville (Knoxville Area Transit) Jacob Wright REMIT: 301 Church Avenue Knoxville, TN 37915 865-215-7844 ifwright@katbus.com	May 13, 2021

Transit Bus #1:	
2021 Gillig Hybrid LowFloor Transit Bus	\$ 661,713.00
Hybrid Drive Extended Warranty	\$ 19,030.00
Apollo Video Surveillance System	\$ 10,266.00
ThermoKing HVAC System	\$ 23,516.00
Delivery Charges	\$ 5,700.00
Subtotal (Non-Reimbursable):	\$ -
Subtotal (Reimbursable)*:	\$ 720,225.00
Line Total	\$ 720,225.00

Transit Bus #2:	
2021 Gillig Hybrid LowFloor Transit Bus	\$ 661,713.00
Hybrid Drive Extended Warranty	\$ 19,030.00
Apollo Video Surveillance System	\$ 10,266.00
ThermoKing HVAC System	\$ 23,516.00
Delivery Charges	\$ 5,700.00
Subtotal (Non-Reimbursable):	\$ -
Subtotal (Reimbursable)*:	\$ 720,225.00
Line Total	\$ 720,225.00

Transit Bus #3:	
2021 Gillig Hybrid LowFloor Transit Bus	\$ 661,713.00
Hybrid Drive Extended Warranty	\$ 19,030.00
Apollo Video Surveillance System	\$ 10,266.00
ThermoKing HVAC System	\$ 23,516.00
Delivery Charges	\$ 5,700.00
Subtotal (Non-Reimbursable):	\$ -
Subtotal (Reimbursable)*:	\$ 720,225.00
Line Total	\$ 720,225.00

Total Non-Reimbursable Costs:	\$ -
Total Reimbursable Costs*:	\$ 2,160,675.00
Total Costs:	\$ 2,160,675.00
Total Amount Due (75% TDEC Share):	\$ 1,620,506.25
Total Amount Reimbursed Under Grant Contract To Date:	\$ -
Total Amount Due This Invoice:	\$ 1,620,506.25

*Note: Please refer to the "Explanation of Invoice Line Items" attached

**VOLKSWAGEN DIESEL SETTLEMENT
ENVIRONMENTAL MITIGATION TRUST
STATE OF TENNESSEE ADMINISTRATIVE EXPENDITURES**

VW Class 4-8 Transit & Shuttle Buses – Project Code ENVWTRANSITBUS

Dates: July 1, 2020 through June 30, 2021

Employee ID 00359905 – \$256.07

Employee ID 00412100 – \$176.96

Employee ID 00448314 – \$372.72

Employee ID 00499617 – \$734.35

Employee ID 00539908 – \$1,421.52

Total Salaries & Benefits - \$2,961.62

Total Indirect - \$671.99

Total Travel - \$169.20

Total OEP Rent & TIBS (Telephone Billing) Reallocation - \$170.84

Total Administrative Expenditures - \$3,973.65

Total Grantee Reimbursements - \$1,620,506.25

Grand Total - \$1,624,479.90

A total of five OEP employees charged time to Class 4-8 Transit & Shuttle Buses.

EMA Time Charged - FY2021

EMA Project ID	Employee Charges to EMA	Employee Charges to EMA								Total	Percentage of Total	Rent	TIBS
Employee ID	00359905	00412100	00448314	00499617	00539908	00440860	00524751	00511157					
ENWWCLAS47TRUCK	\$506.84	\$266.57	\$626.69	\$4,599.89	\$1,988.79	\$123.11	\$34.17	\$8,145.98	19%	\$ 268.44	\$ 201.71		
ENWWCLAS8TRUCK	\$625.75	\$266.57	\$626.70	\$4,579.24	\$1,952.94	\$123.14	\$32.48	\$8,206.82	19%	\$ 270.45	\$ 203.22		
ENWWSCHOOLBUS	\$788.27	\$445.97	\$2,307.17	\$3,780.60	\$10,190.41		\$460.09	\$822.39	43%	\$ 619.37	\$ 465.41		
ENWZEVINRA	\$358.54		\$2,284.29	\$560.08	\$680.24			\$1,920.07	13%	\$ 190.58	\$ 143.21		
ENWWTRANSIBUS	\$256.07	\$175.30	\$372.72	\$734.33	\$1,421.52			\$2,959.96	7%	\$ 97.54	\$ 73.30		
Total Salary & Benefit Charges to EMA	\$2,535.47	\$1,154.41	\$6,217.57	\$14,254.11	\$16,213.85	\$246.25	\$460.09	\$2,809.11		\$43,890.86		\$1,446.38	\$1,086.85
Total Employee Salary and Benefits Earned for the Year	\$ 172,726.47	\$ 103,009.41	\$ 94,463.52	\$ 69,001.57	\$ 67,183.86	\$ 70,293.44	\$ 46,617.32	\$ 119,413.61					
Percentage of employee time on EMA	1%	1%	7%	21%	24%	0%	1%	2%					
Total Employee Related Admin Exp - Rent	\$ 36.83	\$ 28.12	\$ 165.13	\$ 518.27	\$ 605.47	\$ 8.79	\$ 24.76	\$ 59.02		\$ 1,446.38			
Total Employee Related Admin Exp - TIBS	\$ 27.67	\$ 21.13	\$ 124.08	\$ 389.44	\$ 454.97	\$ 6.60	\$ 18.61	\$ 44.35		\$ 1,086.85			
Total Admin Expenditures to EMA	\$64.50	\$49.24	\$289.21	\$907.70	\$1,060.44	\$15.39	\$43.37	\$103.37		\$2,533.22			
Total Employee Expenditures to EMA	\$2,599.97	\$1,203.65	\$6,506.78	\$15,161.81	\$17,274.29	\$261.64	\$503.46	\$2,912.48		\$46,424.08			

Total rent & TIBS that should be reallocated to each category:

EMA Project ID	Rent	TIBS
Employee ID		
ENWWCLAS47TRUCK	268.44	201.71
ENWWCLAS8TRUCK	270.45	203.22
ENWWSCHOOLBUS	619.37	465.41
ENWZEVINRA	190.58	143.21
ENWWTRANSIBUS	97.54	73.30
	\$1,446.38	\$1,086.85

Report 0001935768	
Employee John Finlay	Employee ID 00539908
Reference	Business Purpose Monitoring

Expense Lines

Date	Expense Type	Non-Reimbursable	No Receipt	Receipt Required	Payment Type	Transaction Amount	Exchange Rate	Amount
Description			Additional Information		Merchant		Location	
03/29/2021	In State Vicinity Miles				Credit Card	169.20 USD	1.00	169.20 USD
Round trip mileage from Nashville to Knoxville for a VW Transit & Shuttle Bus monitoring visit.								

Employee Expenses	169.20 USD
Cash Advances Applied	0.00 USD
Non-Reimbursable Expenses	0.00 USD
Prepaid Expenses	0.00 USD
Amount Due to Supplier	0.00 USD
Amount Due to Employee	169.20 USD

Handwritten signatures: John Finlay and another person.



120 South 5th Street, Nashville, TN to 1135 East
Magnolia Avenue, Knoxville, TN

Drive 180 miles, 2 hr 40 min

120 S 5th St

Nashville, TN 37206

Get on I-24 E

1 min (0.4 mi)

- ↑ 1. Head southwest on Woodland St
0.2 mi
- ↶ 2. Turn left onto Interstate Dr
118 ft
- ⤴ 3. Merge onto I-24 E via the ramp on the left to I-40 E
0.1 mi

Follow I-40 E to Hall of Fame Dr in Knoxville. Take exit 389 from I-40 E

2 hr 38 min (179 mi)

- ⤴ 4. Merge onto I-24 E
0.9 mi
- ↶ 5. Keep left to stay on I-24 E, follow signs for I-40 E/Knoxville/Chattanooga
2.0 mi
- ↶ 6. Keep left to continue on I-40 E, follow signs for Interstate 40 E/Knoxville
176 mi
- ↘ 7. Take exit 389 for Hall of Fame Dr toward US-441 N/Broadway
0.2 mi
- ↘ 8. Keep right at the fork, follow signs for US-11/Magnolia Ave and merge onto Hall of Fame Dr
144 ft

Follow Hall of Fame Dr and E Magnolia Ave to your destination

2 min (0.7 mi)

- ⤴ 9. Merge onto Hall of Fame Dr
0.5 mi
- ↶ 10. Turn left onto E Magnolia Ave
0.3 mi
- ↶ 11. Turn left
i Destination will be on the right
112 ft

1135 E Magnolia Ave

Knoxville, TN 37917



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 WASHINGTON, D.C. 20460
COGNIZANT AGENCY
NEGOTIATION AGREEMENT

The State of Tennessee
 Department of Environment
 and Conservation
 Nashville, Tennessee

Date: March 12, 2020
 Filing Ref: March 19, 2019

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular 2 CFR 200 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
<u>Fixed:</u>				
Environment Bureau	7/1/2020	6/30/2021	22.69%	(a)
Conservation Bureau	7/1/2020	6/30/2021	16.77%	(a)

Basis for Application

a) Direct salaries and wages including applicable fringe benefits.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

SECTION II: GENERAL

A. LIMITATIONS: The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. CHANGES. The provisional rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.

D NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me, and retain a copy for your records.

ACCEPTANCE

The undersigned official warrants that he/she has the proper authority to execute this agreement on the behalf of the State Agency:

By the Federal Agency:


(Signature)

Benny Romera
(Name)

Department Controller
(Title)

TN Dept of Environment & Conservation
(Agency)

3-13-20
(Date)

JACQUELINE
SMITH

Digitally signed by JACQUELINE
SMITH
Date: 2020.03.12 16:45:05 -04'00'

(Signature)

Jacqueline Smith, Rate Negotiator
National Policy, Training and
Compliance Division
U.S. Environmental Protection
Agency

Negotiated by: Jacqueline Smith
Telephone: (202) 564-5055