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The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

December 20, 2018

The Honorable Mary Jane Wallner, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

[Handwritten Signature]
 Approved by Fiscal Committee Date

REQUESTED ACTIONS

1. Pursuant to RSA 14:30-a:VI, authorize the Department of Environmental Services (NHDES) to accept and expend \$275,985 in Federal Diesel Emission Reduction Act (DERA) funds from the Environmental Protection Agency, effective upon Fiscal Committee and Governor and Council approval through June 30, 2019.
2. Pursuant to RSA 14:30-a:VI, authorize the Department of Environmental Services (NHDES) to accept and expend \$500,350 from the Volkswagen Mitigation Trust, through the Office of Strategic Initiatives, to supplement and serve as match to the DERA grant program, effective upon Fiscal Committee and Governor and Council approval through June 30, 2019.

Funding is to be budgeted as follows:

**Diesel Emission Reduction Act
 03-44-44-443010-22780000
 FY2019**

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Income				
000-406888	DERA Funds	(\$471,249)	(\$275,985)	(\$747,234)
009-401820	VW Match	\$0	(\$500,350)	(\$500,350)
TOTAL		(\$471,249)	(\$776,335)	(\$1,247,584)
Expenditures				
018-500106	Overtime	\$1,000	\$0	\$1,000
020-500200	Current Expense	\$1,000	\$0	\$1,000

**Diesel Emission Reduction Act
 03-44-44-443010-22780000
 FY2019 (cont.)**

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Expenditures				
040-500800	Indirect Costs	\$2,296	\$2,300	\$4,596
041-500801	Audit Fund Set Aside	\$256	\$756	\$1,012
042-500620	Additional Fringe Benefits	\$2,175	\$2,550	\$4,725
050-500109	Personal Service Temp	\$0	\$24,286	\$24,286
059-500117	Temp Full Time	\$20,749	\$0	\$20,749
060-500601	Benefits	\$15,795	\$11,489	\$27,284
070-500705	In-State Travel	\$500	\$0	\$500
072-500573	Grants Federal	\$424,878	\$734,954	\$1,159,832
080-500716	Out Of State Travel	\$100	\$0	\$100
102-500731	Contracts for Program Services	\$2,500	\$0	\$2,500
TOTAL		\$471,249	\$776,335	\$1,247,584

EXPLANATION

Under the terms of the MOA with NHDES, the Office of Strategic Initiatives (OSI) will provide an amount not to exceed \$500,350 in funding to NHDES to be used to provide a 100 percent match to federal DERA funding provided by the Environmental Protection Agency (EPA) under the Diesel Emission Reduction Act administered by EPA. The funding will be used for additional projects to reduce nitrogen oxide and other diesel engine pollutant emissions. The purpose of this request is to account for additional federal DERA funding as well as funds from the Volkswagen settlement that became available after the closing of the previous budget cycle. The timing of the funds did not allow for the addition of these funds to the account during the previous budget cycle.

DES is requesting authorization to accept and expend \$275,985 in federal funds and \$500,350 in VW Settlement funds and to budget these funds as follows:

Classes 040, 041, 042, 060 *Indirect Cost, Audit Fund Set Aside, Additional Fringe, and Benefits* – Funds in each class respectively, are necessary since there are personnel costs and these classes are based on a percentage of personnel costs.

Class 050 *Personal Service Temp* – The funds in class 050 will be used for existing staff positions. These funds will be used to supplant funding of the following positions, which are currently budgeted.

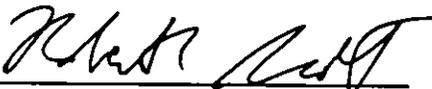
The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court, and
His Excellency, Governor Christopher T. Sununu
and the Honorable Council

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Position #	Title	Account (03-44-44)	Funding	Amount
40509	Supervisor VII	443010-5308-010	100% Other	\$6,678
43245	Mobile Sources Grant Manager	443010-5308-010	100% Other	\$6,876
43246	Program Specialist IV	443010-5308-010	100% Other	\$6,567
13059	Administrator IV	443010-9000-010	100% Federal	\$4,165
TOTAL				\$24,286

Class 72 Grants Federal – This is for expansion of the current DERA grant program that is conducted in compliance with federal DERA requirements.

In the event that Federal and VW funds become no longer available, General funds will not be requested to support this program. We respectfully request your approval.


Robert R. Scott, Commissioner

**DERA Funds
FISCAL SITUATION FY18
03-44-44-443010-22780000**

Total Awards	1,250,875
Less Expenditures thru 6/30/18	<u>3,291</u>
Remaining Authorization to Budget	1,247,584
Less Current FY19 Budget Authorization	<u>471,249</u>
Total Available for Budgeting	776,335
REQUESTED ACTION	<u>776,335</u>
Available to Budget at a later date	\$0

Grant Award Number	<u>Award Amount</u>	<u>Expenses to 6/30/18</u>	<u>Balance</u>
DS00A00032	750,525	3,291	747,234
VW Settlement Funds	500,350	-	500,350
TOTAL	<u>1,250,875</u>	<u>3,291</u>	<u>1,247,584</u>



CHRISTOPHER T. SUNUNU
GOVERNOR

STATE OF NEW HAMPSHIRE
OFFICE OF STRATEGIC INITIATIVES
107 Pleasant Street, Johnson Hall
Concord, NH 03301-3834
Telephone: (603) 271-2155
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Bucky Oller

DIVISION OF PLANNING
DIVISION OF ENERGY
www.nh.gov/osi

October 17, 2018

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His Excellency, Governor Christopher T. Sununu,
And the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C

DATE 10/31/2018
ITEM # 219

REQUESTED ACTION

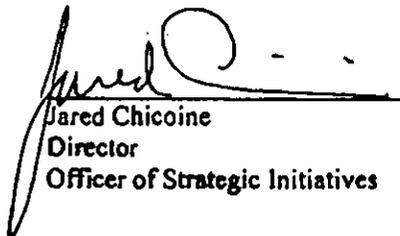
Authorize the Office of Strategic Initiatives (OSI) to enter into a Memorandum of Agreement (MOA) with the NH Department of Environmental Services (NHDES) (Vendor Code – 177894 B001), Concord, NH, in the amount of \$500,350 to utilize funding from the Volkswagen Environmental Mitigation Trust (Trust) as non-federal match for New Hampshire's Diesel Emission Reduction Act (DERA) grant, effective upon Governor & Executive Council approval, through September 30, 2019. 100% Volkswagen Funds.

EXPLANATION

OSI requests approval to enter into a MOA with NHDES, in an amount not to exceed \$500,350. The MOA specifies that the funds will be used to provide a 100 percent match to federal DERA funding provided by the Environmental Protection Agency, thus qualifying the state to receive a 50 percent bonus of federal DERA dollars (\$250,175). The MOA also clarifies the tasks to be completed by each agency to ensure funds are used in compliance with the terms of the Trust. The Office of Strategic Initiatives will not be holding any of the Volkswagen Environmental Mitigation Trust funds in its accounts. All funds will be transferred directly from Wilmington Trust to NHDES directly. DERA grants are awarded to NHDES annually by EPA to fund New Hampshire's State Clean Diesel Program. This program provides partial funding for diesel vehicle and equipment emission reduction projects, such as vehicle replacements, engine repowers and idling reduction technology, to reduce nitrogen oxide, particulate matter and other diesel engine emissions. These projects will be administered by NHDES.

In the event Volkswagen Funds are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,


Jared Chicoine
Director
Officer of Strategic Initiatives

G&C 10/31/18

**MEMORANDUM OF AGREEMENT
BETWEEN
OFFICE OF STRATEGIC INITIATIVES
AND
DEPARTMENT OF ENVIRONMENTAL SERVICES**

This Memorandum of Agreement (MOA) describes activities that have been agreed to between the New Hampshire Office of Strategic Initiatives (OSI) and the Department of Environmental Services (NHDES) to utilize funding from the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Trust) as non-federal match for New Hampshire's State Clean Diesel Program as funded by the Environmental Protection Agency (EPA) under the Diesel Emission Reduction Act (DERA) and administered by NHDES. States providing 100 percent non-federal match to federal DERA dollars receive a 50 percent federal bonus. The purpose of this agreement is to commit Trust funds as non-federal match to the State's DERA allocation to secure the bonus funding and fund additional projects to reduce nitrogen oxide and other diesel engine pollutant emissions. This MOA will become effective upon approval by Governor and Council. The project completion date is September 30, 2019.

For the purposes of this MOA, OSI and NHDES agree as follows:

1. OSI and NHDES shall assign appropriate staff to oversee the implementation of this MOA.
2. NHDES is the lead agency for New Hampshire's DERA funding.
3. OSI shall authorize payments not to exceed \$500,350.00 dollars from the Trust to NHDES to be counted as non-federal match for the federal fiscal years (FFY) 2016 and 2017 New Hampshire DERA allocation. The Trust funds will be used in accordance with the requirements of the DERA program as allowed under the terms of the Trust.
4. The FFY'16 and FFY'17 DERA funds and any non-federal funds added to the program must be expended by September 30, 2019.
5. In order to qualify for the federal bonus funds all base allocation and non-federal match dollars must be expended.
6. OSI and NHDES shall collaboratively determine the types of projects to be funded under the FFY '16 and '17 NH DERA program.
7. OSI and NHDES shall individually and collaboratively disseminate information about availability of funding for emissions reductions projects under NH's DERA program.
8. NHDES shall be responsible for the following tasks relative to the DERA program, inclusive of Trust funds:
 - a. Preparing, in consultation with OSI, requests for proposals (RFP) for projects to be funded under the State's DERA program, including development of the evaluation and selection criteria to be used;

- b. Receiving project applications in response to an RFP;
 - c. Verifying that projects submitted for funding meet the DERA program requirements;
 - d. Conducting analyses of the estimated emissions benefits of project proposals, and in consultation with OSI, selecting projects for funding based on the described evaluation and selection criteria;
 - e. Preparing grant agreements to implement the selected project proposals;
 - f. Presenting all grant agreements to the Governor and Executive Council for approval that exceed the G&C established threshold;
 - g. Preparing and submitting all required EPA reports;
 - h. Submitting to OSI documentation necessary for development of OSI reports to the Trustee.
9. OSI and NHDES shall collaboratively determine if, during the course of this agreement, additional Trust funds should be added to the DERA program to enable additional projects, and shall seek Governor and Council approval for any addition of funds.
10. NHDES shall not utilize any of the Trust funds for administrative purposes, but shall retrieve administrative costs from the federal portion of the DERA allocation.
11. **REPORTING:** NHDES shall submit quarterly reports to OSI within thirty (30) days of the close of each quarter that include:
- a. The number and type of projects applied for in the previous quarter;
 - b. The number and type of projects approved in the previous quarter;
 - c. Details of projects that have been funded including project proponent, the project type, and funding amount;
 - d. The calculated emission savings from the projects that have been funded to date.
 - e. Documentation of the expenditures of the Trust funds under the DERA program.
12. **INVOICING:** NHDES shall invoice OSI for project expenditures attributable to the VW Trust portion of a DERA project within 30 days of the end of each fiscal quarter. OSI agrees to submit a request for payment to NHDES to the Trustee within 15 days of receipt of such invoice.
13. **TERMINATION:** Either party may terminate this MOA upon providing written notice to the other, thirty (30) days prior to termination. Upon termination, NHDES will be paid for all work completed prior to termination.
14. **DURATION:** The project duration extends from the date of approval by Governor and Council through September 30, 2019 for program activities, invoicing and program year closeout, unless terminated by either party, or extended in writing by subsequent agreement of the parties and acceptance by Governor and Council.

IN WITNESS WHEREOF, the respective parties have hereunto set their hands on the dates indicated.



Jayed Chicoine, Director
NH Office of Strategic Initiatives

9/14/18

Date

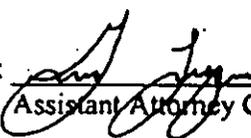


Robert R. Scott, Commissioner
NH Department of Environmental Services

9-19-18

Date

OFFICE OF THE ATTORNEY GENERAL

By: 
Assistant Attorney General

Date: October 16, 2018

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____, _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	GRANT NUMBER (FAIN): 00A00032	DATE OF AWARD 08/27/2018
		MODIFICATION NUMBER: 1 PROGRAM CODE: DS	MAILING DATE 09/03/2018
		TYPE OF ACTION Augmentation: Increase	ACH# 10108
		PAYMENT METHOD: ASAP	
RECIPIENT TYPE: State	Send Payment Request to: U.S. EPA Las Vegas Finance Center 4220 South Maryland Parkway, Building C, Room 503 Las Vegas, NV 89119 LVFC-grants@epa.gov		
RECIPIENT: New Hampshire D.E.S. 29 Hazen Drive, P.O. Box 95 Concord, NH 03302-0095 EIN: 02-6000618	PAYEE: New Hampshire D.E.S. 29 Hazen Drive, P.O. Box 95 Concord, NH 03302-0095		
PROJECT MANAGER Jessica Wilcox 29 Hazen Drive, P.O. Box 95 Concord, NH 03302-0095 E-Mail: jessica.wilcox@des.nh.gov Phone: 603-271-6751	EPA PROJECT OFFICER John Rogan 5 Post Office Square, Suite 100, OEP05-2 Boston, MA 02109-3912 E-Mail: Rogan.John@epa.gov Phone: 617-918-1645	EPA GRANT SPECIALIST Brian Tocci Grants Management Office, OARM05-5 E-Mail: Tocci.Brian@epa.gov Phone: 617-918-1979	
PROJECT TITLE AND EXPLANATION OF CHANGES Subgrant Program for Diesel Emissions Reduction Projects Amendment #1 approves a Supplemental Increase in Federal Funds in the amount of \$411,549. Recipient Contribution is increased by \$274,366. Total Budget/Project Period Cost is now \$1,250,875. A Time Extension until 9/30/2019 has also been approved. Recipient Project Manager has been updated. All Administrative Terms and Conditions have been updated. All Programmatic Terms and Conditions have been updated.			
BUDGET PERIOD 10/01/2017 - 09/30/2019	PROJECT PERIOD 10/01/2017 - 09/30/2019	TOTAL BUDGET PERIOD COST \$1,250,875.00	TOTAL PROJECT PERIOD COST \$1,250,875.00
NOTICE OF AWARD			
Based on your Application dated 06/25/2018 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$411,549. EPA agrees to cost-share 60.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$750,525. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS EPA New England 5 Post Office Square, Suite 100 Boston, MA 02109-3912		ORGANIZATION / ADDRESS U.S. EPA, Region 1 5 Post Office Square, Suite 100 Boston, MA 02109-3912	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official for Arthur Johnson - Acting Director, Office of Administration and Resource Management Fred Weeks - Award Official delegate			DATE 08/27/2018