

**CHEROKEE NATION'S NOVEMBER 2019 SEMIANNUAL REPORT
UNDER SECTION 5.3 OF THE ENVIRONMENTAL MITIGATION TRUST
AGREEMENT FOR INDIAN TRIBE BENEFICIARIES DATED OCTOBER 2, 2017**

The Office of the Secretary of Natural Resources, the lead agency authorized to act on behalf of the beneficiary Cherokee Nation, is submitting this November 2019 Semiannual Report pursuant to Section 5.3 of the Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries dated October 2, 2017 ("Indian Tribe Trust Agreement"). This Report is submitted for the Cherokee Nation's 1st Round Zero Emission Project ("Round 1 Project"), which was funded in Round 1 under the Indian Tribe Trust Agreement.

Report On Status Of Eligible Mitigation Action Item

The Round 1 Project will deploy one all new zero emission school bus under Section 2(e)(4) of Appendix D-2 to the Indian Tribe Trust Agreement. The new zero emission school bus will provide transportation for the Cherokee Nation's school system. An electric Thomas Built Saf-T-Liner C2 341TS was ordered from Midwest Bus Sales in August 2019.

The bus will be based in Tahlequah, and will initially primarily service routes in and around Tahlequah. Accordingly, for the Round 1 Project the Cherokee Nation intends to install charging infrastructure for the bus in Tahlequah. The Cherokee Nation also intends to install a solar canopy in Catoosa, a location where the bus will travel to, as part of the charging infrastructure associated with the new bus. Catoosa was selected because it is the second highest priority for bus charging infrastructure. The Cherokee Nation does not anticipate having sufficient funds to install the Catoosa bus-charging infrastructure in the first funding cycle, but plans to install that as part of the second funding cycle. The process for installing the charging infrastructure for the bus is still in the planning stages.

The eligible vehicle the new bus will replace is a 1998 Blue Bird 48 passenger bus, VIN number 1HVBBABP9WH569999. Once the new bus is delivered, this bus will be rendered inoperable (meaning, at a minimum, it will have a 3-inch hole cut in the engine block and its frame rails will be cut completely in half) and made available to recycle.

The Round 1 Project may also include light duty ZEV charging stations under Section 9 of Appendix D-2. However, the number and final design of these charging stations will depend on the particular site's needs, as well as the available budget based on the actual costs of installation at each selected site. The process for the light duty ZEV component will not begin until the bus charging infrastructure plan is completed.

The project schedule and budget have had revisions as detailed below. Costs expended thus far are also detailed below.

Report On How Cherokee Nation Has Made Documentation Publicly Available

The Cherokee Nation has complied with Sections 5.2.7.2 and 5.3 of the Indian Tribe Trust Agreement by making publicly available all documentation submitted in support of its funding request and all records supporting all expenditures of any funds it receives, subject to

applicable laws governing the publication of confidential business information and personally identifiable information, including the following:

- Posting its Round 1 Project application at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>

**Report On Eligible Mitigation Action Management Plan
Including Detailed Costs, Budget, And Implementation And Expenditures Timeline**

REVISED PROJECT SCHEDULE AND MILESTONES

The Cherokee Nation has revised its Round 1 Project schedule, and now estimates the Round 1 Project will conclude in about January 2021.

Step 1. Trustee Award [COMPLETED May 2019]

The Trustee distributed funds to the Cherokee Nation in May 2019.

Step 2. Contracting, Project Planning, and Initiation (7 months) [December 2019]

This step will include detailed project planning to finalize the scope, assignments, and timeline. This phase will result in a formal kick-off of the project with all project team members so that they can successfully meet project goals and objectives. This phase includes selection of the bus charging infrastructure including the equipment and sites. This step also includes executing agreements with the contractors. The Cherokee Nation estimates that this will take about 7 months.

Steps 3a. (Infrastructure Installation) and 3b. (Vehicle Procurement) [Dec. 2020]

The Cherokee Nation anticipates that steps 3a and 3b can mostly be performed simultaneously.

Step 3a. Infrastructure Installation (12 months) [December 2020]

This step includes finalizing site plans for the charging stations and seeking the necessary permits from local authorities to install the systems. During this step, the Cherokee Nation will be working with all third parties to develop site and installation plans for the charging stations, including any site engineering (such as civil, electrical, and mechanical), construction, and equipment installation. The costs for the charging infrastructure equipment will be expended when the parts are ordered once the site design is complete. The costs for the charging infrastructure installation will be expended as infrastructure is completed.

Step 3b. Vehicle Procurement [August 2020]

This step includes finalizing the specifications for the vehicles by working with the third party supplier. The Cherokee Nation expects that the bus will be delivered in August 2020,

about 12 months after it was ordered. The funds for the bus will be expended when an invoice for the bus is provided. The Cherokee Nation will conduct pre-delivery inspections to approve vehicle delivery, and conduct post-delivery inspections for final approval. If necessary, the Cherokee Nation will engage the services of external vendors to complete the inspections.

Step 4. Deployment (3 months) [November 2020]

Delivered vehicles will be registered and insured by the Cherokee Nation. A series of tests will be conducted to ensure the vehicles can be charged properly with the charging equipment and can operate along the planned bus routes. During this phase, staff will receive the necessary training to operate and maintain the vehicles. At the end of this phase, the vehicle being replaced will be scrapped.

Step 5. Project Completion (1 month) [January 2021]

Once the replaced vehicle is scrapped, the Cherokee Nation will issue a final report summarizing implementation and will close out the project with the Trustee. The Cherokee Nation estimates project completion will occur in January 2021. The consultant implementation fee will be expended when the project is complete.

SUMMARY OF ALL COSTS EXPENDED ON THE ELIGIBLE MITIGATION ACTION

The only cost expended yet is payment in October 2019 on the contractual – application administrative expense of \$39,916.10.

REVISED PROJECT BUDGET


Eligible Mitigation Action and Mitigation Action Expenditure Categories	Item	Cost	Qty.	Revised Budget	Original Budget
D-2 Section 2(e)(1) - Government-Owned Eligible Buses	Thomas Bus	\$375,823	1	\$375,823	\$395,823
	Tahlequah Bus Charging Infrastructure	\$154,602	1	\$154,602	\$154,602
	Bus Charging Infrastructure - Solar Canopy	\$168,000	75%	\$126,000	\$126,000
	Bus salvage fee	\$5,000	1	\$5,000	\$-
<i>D-2 Section 2(e)(1) - Government-Owned Eligible Buses Subtotal:</i>				<i>\$661,425</i>	<i>\$676,425</i>
D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property	First Level 2 Charger	\$17,486	1	\$17,486	\$-
	Each Add'l Level 2 Charger	\$15,737	2	\$31,474	\$32,720
	Charging Infrastructure - Solar Canopy	\$168,000	25%	\$42,000	\$42,000
<i>D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property Subtotal:</i>				<i>\$90,960</i>	<i>\$74,720</i>
Administrative Expenditures	Contractual - application	\$350	114	\$39,916	\$39,916
	Contractual - project	\$350	50	\$19,950	\$19,950
<i>Administrative Expenditures Subtotal:</i>				<i>\$59,866</i>	<i>\$59,866</i>
Cost share correction - to be accomplished by reducing funding of the light duty ZEV project and/or internal administrative costs				\$(3,462)	\$(2,222)
PROJECT TOTAL				\$808,789	\$808,789

CERTIFICATIONS

By submitting this report, the Lead Agency makes the following certifications:

1. This report is submitted on behalf of Beneficiary Cherokee Nation, 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. This report contains all information and certifications required by Paragraph 5.3 of the Trust Agreement.
3. To the best of my information and belief, and under penalty of perjury, the information in this report is true and correct.

DATED: November 21, 2019



Chad Harsha
Secretary of Natural Resources

The Office of the Secretary of Natural
Resources

[LEAD AGENCY]

for

Cherokee Nation

[BENEFICIARY]