

**CHEROKEE NATION'S JULY 2021 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 July 2021 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 six-month period ending June 30, 2021 for (i) the Cherokee Nation's 2nd Round Zero Emission Project ("Round 2 Project"), which was funded in Round 2 under the Indian Tribe Trust Agreement, and (ii) the Cherokee Nation's 3rd Round Zero Emission Project ("Round 3 Project"), which was funded in Round 3 under the Indian Tribe Trust Agreement. As described in the Cherokee Nation's Final Round 1 Report Under Section 5.3 Of The Environmental Mitigation Trust Agreement For Indian Tribe Beneficiaries Dated October 2, 2017 ("Final Round 1 Report"), the Cherokee Nation has completed its 1st Round Zero Emission Project ("Round 1 Project").

Report On Status Of Eligible Mitigation Action Items

The Round 1 Project is complete. The Round 1 Project deployed one all new zero emission school bus to provide transportation for the Cherokee Nation's school system. An electric Thomas Built Saf-T-Liner C2 341TS was delivered by Midwest Bus Sales in December 2020. The school bus will travel on multiple routes including destinations such as Stilwell, Tahlequah, Catoosa, West Siloam Springs, Roland, Vinita, Sallisaw, and Muskogee, among others. As part of the Round 1 Project, the Stilwell charging station has been completed. Also, as part of its Round 1 Project, the Cherokee Nation completed a light duty charging station in Tahlequah.

The Round 2 Project had initially intended to deploy one all new zero emission school activity coach bus under Section 2(e)(4) of Appendix D-2 to the Indian Tribe Trust Agreement. However, primarily due to the increased costs expected for the charging stations, the Cherokee Nation now intends to deploy a different type of zero emission vehicle, likely either an executive shuttle bus or a box truck. Since the coach bus is more expensive than these vehicles, this will allow budget to be reallocated to the charging stations. A new zero emission executive shuttle bus would provide customer transportation for Cherokee Nation Business, while a new zero emission box truck may be used for a variety of purposes, such as a laundry truck for Cherokee Nation Business. The Cherokee Nation has not yet decided which electric vehicle to order. Cherokee Nation has multiple eligible vehicles that the new electric vehicle could replace, and will designate that replacement vehicle once a final decision is made on which new electric vehicle is being purchased. Once the new vehicle is delivered, the replaced vehicle 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 3 Project will deploy multiple all new zero emission vehicles under Appendix D-2 to the Indian Tribe Trust Agreement, along with their charging infrastructure. For all replaced vehicles, the old engine and chassis will be permanently disabled. Disabling the engine

consists of cutting or punching a three-inch hole in the engine block. Disabling the chassis entails cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. If other, pre-approved scrapping methods were used, details and documentation will be included, including photos of the disabled engine/chassis and/or a signed Certificate of Vehicle/Engine Destruction.

As with the Round 1 Project electric school bus, the Round 2 executive shuttle bus or box truck and the Round 3 heavy duty electric vehicles may travel on multiple routes including destinations such as Tahlequah, Catoosa, Stilwell, West Siloam Springs, Roland, Vinita, Sallisaw, and Muskogee, among others. The Nation intends to install charging stations at many of these locations as part of the charging infrastructure for the new vehicles. Here is the status of the Section 2(e)(4) charging stations that are planned to be installed as part of the projects:

- Tahlequah (Cherokee Nation - WW Keeler Main Complex) charging station was installed as part of the Round 2 Project.
- Stilwell charging station was installed as part of the Round 1 Project.
- Sequoyah High School charging station is under construction.
- Catoosa charging station is in the planning phase.
- West Siloam Springs charging station is in the planning phase.
- Additional charging stations will be installed in a cascading order of priority depending on available funding and actual costs.

The Cherokee Nation also intends to install a solar canopy in Catoosa as part of the charging infrastructure for the new Round 2 vehicle, and a solar canopy in West Siloam Springs as part of the charging infrastructure for the new Round 3 vehicle.

The projects also include a construction cost component under the administrative cost section of Appendix D-2. Francis Renewable Energy, the contractor the Cherokee Nation is working with on the charging stations, has informed the Cherokee Nation that many of the facilities may need to be altered to allow for use as a multiple bus charging station, primarily consisting of reinforcing the concrete due to the anticipated weight of the buses. Cost estimates for this are included in the budgets below.

The projects also include light duty ZEV charging stations under Section 9 of Appendix D-2. In accordance with Section 9(c)(1) of Appendix D-2, the Cherokee Nation is planning to make all light duty ZEV charging stations available to the public on property owned by the Cherokee Nation. 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 for each round will not be finalized until the Section 2(e)(4) charging station infrastructure plans are completed for the heavy duty vehicles. Here is the status of the Section 9 charging stations that are planned to be installed as part of the projects:

- Tahlequah (Cherokee Nation - WW Keeler Main Complex) light duty ZEV charging station was installed as part of the Round 1 Project.

- Tahlequah (Cherokee Nation - Markoma Complex) light duty ZEV charging station is under construction.
- Catoosa light duty ZEV charging station is in the planning phase.
- West Siloam Springs light duty ZEV charging station is in the planning phase.
- Additional light duty ZEV charging stations will be installed in a cascading order of priority depending on available funding and actual costs.

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/>
- Posting its November 2019 Semiannual Report at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its Round 2 Project application at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its January 2020 Semiannual Report at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its July 2020 Semiannual Report at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its Round 3 Project application at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its January 2021 Semiannual Report at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its May 2021 Semiannual Report at the following website:
<https://www.cherokee.org/our-government/secretary-of-natural-resources-office/>
- Posting its Final Round 1 Report 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 – ROUND 1 PROJECT

The Cherokee Nation has completed its Round 1 Project.

REVISED PROJECT SCHEDULE AND MILESTONES – ROUND 2 PROJECT

The Cherokee Nation has revised its Round 2 Project schedule, and now estimates it will conclude in about February 2023.

Step 1. Trustee Award (3 months) [COMPLETED]

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

Step 2. Contracting, Project Planning, and Initiation [COMPLETED]

This step is completed.

Step 3 (Infrastructure Installation and Vehicle Deployment) [January 2023]

The Cherokee Nation anticipates that steps 3.a. (Vehicle Procurement and Deployment) and 3.b. (Infrastructure Installation) can be performed simultaneously.

Step 3a. Vehicle Procurement and Deployment [August 2022]

This step includes finalizing the specifications for the vehicles by working with the third party supplier. Once the specifications are finalized, the Cherokee Nation expects that the lead-time on the vehicles will be at least 12 months. The funds for the vehicle will be expended when the vehicle is delivered. 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.

This step also includes deployment of the vehicle. Delivered vehicles will be registered and insured by the Cherokee Nation. At the time the vehicle is delivered, construction of some of the charging stations should be completed. 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 routes, including testing the vehicle at any existing charging station(s). During this phase, staff will receive the necessary training to operate and maintain the vehicles.

Step 3b. Infrastructure Installation [January 2023]

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. Once construction at a charging site is complete, the site will be tested with the vehicles in the Cherokee Nation's electric fleet.

Step 4. Project Completion [February 2023]

Once the replaced vehicle is scrapped and the charging infrastructure is installed, the Cherokee Nation will issue a final report summarizing implementation and will close out the project with the Trustee.

REVISED PROJECT SCHEDULE AND MILESTONES – ROUND 3 PROJECT

The Cherokee Nation has revised its Round 3 Project schedule, and now estimates it will conclude in about October 2023.

Step 1. Trustee Award [completed November 2020]

The Trustee has distributed Round 3 funds to the Cherokee Nation.

Step 2. Contracting, Project Planning, and Initiation [November 2021]

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 team members so that they can successfully meet project goals and objectives. This step also includes executing agreements with the contractors, including final selection of the all-new electric medium and large vehicle manufacturers. The Cherokee Nation anticipates that this can mostly be performed simultaneously with project planning. The Cherokee Nation estimates that this will take about 12 months.

Step 3 (Infrastructure Installation and Vehicle Deployment) [July 2023]

The Cherokee Nation anticipates that steps 3.a. (Vehicle Procurement and Deployment) and 3.b. (Infrastructure Installation) can be performed simultaneously.

Step 3.a. Vehicle Procurement and Deployment [May 2023]

This step includes finalizing the specifications for the vehicles by working with the third party suppliers. Once the specifications are finalized, the Cherokee Nation expects that the lead-time on the vehicles will be at least 12 months. The funds for the vehicles will be expended when a vehicle is ordered. 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.

This step also includes deployment of the vehicles. Delivered vehicles will be registered and insured by the Cherokee Nation. At the time a vehicle is delivered, construction of some of the charging stations should be completed. 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 medium and large vehicle routes, including testing the vehicle at any existing charging station(s). 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 3.b. Infrastructure Installation [September 2023]

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. Once construction at a charging site is complete, the site will be tested with the vehicles in the Cherokee Nation's electric fleet.

Step 4. Project Completion [October 2023]

During the course of the Project, the Cherokee Nation will provide semiannual reports on its status. Once the replaced vehicles are scrapped and the charging infrastructure is installed, 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 October 2023.

FINAL BUDGET – ROUND 1 PROJECT

Eligible Mitigation Action and Mitigation Action Expenditure Categories	Item	Cost	Qty.	Final Budget	Original Budget
D-2 Section 2(e)(1) - Government-Owned Eligible Buses	Thomas Bus	\$ 375,823	1	\$ 375,823	\$ 395,823
	Bus Charging Infrastructure	\$ 182,942	1	\$ 182,942	\$ 154,602
	Bus Charging Infrastructure - Solar Canopy	\$ -	0%	\$ -	\$ 126,000
	Bus Accessories	\$ 6,965	1	\$ 6,965	\$ -
	Bus salvage fee	\$ 423	1	\$ 423	\$ -
<i>D-2 Section 2(e)(1) - Government-Owned Eligible Buses Subtotal:</i>				<i>\$566,153</i>	<i>\$676,425</i>
D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property	Light Duty Chargers	\$ 121,318	1	\$ 121,318	\$ 74,720
<i>D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property Subtotal:</i>				<i>\$121,318</i>	<i>\$74,720</i>
Administrative Expenditures	Contractual - application	\$ 350	114	\$ 39,916	\$ 39,916
	Contractual - project	\$ 350	39.54	\$ 13,839	\$ 19,950
	Contractual - technical	\$ 25,000	1	\$ 25,000	\$ -
	Contractual - commissioning	\$ 16,668	1	\$ 14,263	
	Construction - concrete	\$ 28,300	1	\$ 28,300	\$ -
<i>Administrative Expenditures Subtotal:</i>				<i>\$121,318</i>	<i>\$59,866</i>
Cost share correction - to be accomplished by reducing funding of the light duty ZEV project and/or administrative costs				\$ (0)	\$ (2,222)
PROJECT TOTAL				\$808,789	\$808,789

REVISED BUDGET – ROUND 2 PROJECT

Eligible Mitigation Action and Mitigation Action Expenditure Categories	Item	Cost	Qty.	Revised	Original
Government-Owned Eligible Vehicles	Electric Vehicle	\$450,000	1	\$ 450,000	\$ 1,099,000
	Charging Infrastructure - DC Charger w/ new elec.	\$258,765	1	\$ 258,765	\$ 188,448
	Charging Infrastructure - DC Charger	\$189,079	1	\$ 189,079	\$ 154,602
	Charging Infrastructure - DC Charger w/ new electric	\$175,000	1	\$ 175,000	\$ -
	Charging Infrastructure - Solar Canopy	\$278,603	75%	\$ 208,952	\$ 129,780
	Other - vehicle accessories	\$5,000	1	\$ 5,000	\$ -
	Other - salvage fee	\$5,000	1	\$ 5,000	\$ 5,000
<i>D-2 Section 2(e)(1) - Government-Owned Eligible Buses Subtotal:</i>				<i>\$ 1,291,796</i>	<i>\$ 1,571,830</i>
D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property	First Level 2 Charger	\$17,486	1	\$ 17,486	\$ 17,486
	Each Add'l Level 2 Charger	\$15,234	1	\$ 15,234	\$ 31,474
	First Level 3 Charger	\$151,942	1	\$ 151,942	\$ -
	Each Add'l Level 3 Charger	\$102,711	0	\$ -	\$ -
	Charging Infrastructure - Solar Canopy	\$278,603	25%	\$ 69,651	\$ 43,260
<i>D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property Subtotal:</i>				<i>\$ 254,313</i>	<i>\$ 92,220</i>

Administrative Expenditures	Contractual - application	\$350	36.1	\$ 12,635	\$ 12,635
	Contractual - project	\$350	50	\$ 17,500	\$ 17,500
	Construction - concrete	Item cost bundled	Bundle est.	\$ 110,000	\$ 100,000
	Construction	Item cost bundled	Bundle est.	\$ 106,571	\$ -
<i>Administrative Expenditures Subtotal:</i>				\$ 246,706	\$ 135,135
Cost share correction - to be accomplished by reducing funding of the light duty ZEV project and/or administrative costs				\$ (1,133)	\$ (7,503)
PROJECT TOTAL				\$ 1,791,682	\$ 1,791,682

SUMMARY OF ALL COSTS EXPENDED ON THE ROUND 2 PROJECT

The costs expended thus far are:

\$368,765 for Tahlequah (Cherokee Nation - WW Keeler Main Complex) bus charger

\$4,200 for Sequoyah High School bus charger

\$8,840 for Tahlequah (Cherokee Nation - Markoma Complex) light duty ZEV station

\$12,635 for Contractual – application

\$7,747.18 for Contractual - project

BUDGET – ROUND 3 PROJECT

Eligible Mitigation Action and Mitigation Action Expenditure Categories	Item	Cost	Qty.	Total
D-2 Sections 1(f)(4) and 6(e)(4) - Government-Owned Eligible Medium and Large Vehicles	Box truck	\$327,498	1	\$327,498
	Dump truck	\$375,000	1	\$375,000
	Dump truck shipping	\$10,000	1	\$10,000
	Water Truck	\$375,000	1	\$375,000
	Water Truck shipping	\$10,000	1	\$10,000
	Charging Infrastructure - DC Charger w/ new elec.	\$188,448	1	\$188,448
	Charging Infrastructure - DC Charger	\$154,602	1	\$154,602
	Charging Infrastructure - Solar Canopy	\$173,040	1	\$173,040
	Other - vehicle salvage fee	\$5,000	3	\$15,000
<i>Government-Owned Eligible Medium and Large Vehicles Subtotal:</i>				<i>\$1,628,588</i>
D-2 Section 9(c)(1) - Light Duty ZEV, Gov't Property	First Level 3 Charger	\$125,384	1	\$125,384
	Each Add'l Level 3 Charger	\$112,846	1	\$112,846
<i>Light Duty ZEV, Gov't Property Subtotal:</i>				<i>\$238,230</i>
Administrative Expenditures	Contractual - application by Askman Law	\$30,477	See Quote	\$30,477
	Construction at 1st charging site	\$100,000	See Quote	\$100,000
	Construction at 2d charging site	\$100,000	See Quote	\$100,000
<i>Administrative Expenditures Subtotal:</i>				<i>\$230,477</i>
PROJECT TOTAL				\$2,097,295

SUMMARY OF ALL COSTS EXPENDED ON THE ROUND 3 PROJECT

There have been no costs expended on the Round 3 Project.

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: July 15, 2021



Chad Harsha
Secretary of Natural Resources

The Office of the Secretary of Natural
Resources

[LEAD AGENCY]

for

Cherokee Nation

[BENEFICIARY]