

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Louden Tribal Council

Lead Agency Authorized to Act on Behalf of the Beneficiary City of Galena
(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:	Diesel Engine Replacement and Powerhouse Upgrade for Galena, Alaska
Beneficiary's Project ID:	VW Engine-2020
Funding Request No.	<i>(sequential)</i> 2
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" 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>City of Galena</u>
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 type="checkbox"/> Appendix D-2 item (specify): _____
Action Type	<input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Addendum	
Estimate of Anticipated NOx Reductions (5.2.3): See Addendum	
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 Addendum	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Addendum	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Addendum	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). Louden Tribal Council was not notified by any government agency of their interest.	

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).

NA

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|---|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input checked="" type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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 Louden Tribal Council, 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: 8/25/20

Shanda Huntington, City Administrator

[NAME]

[TITLE]

City of Galena

SIGNATURE: Shanda Huntington

[LEAD AGENCY]

for

Louden Tribal Council

[BENEFICIARY]

ATTACHMENT B

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Lead Agency Provides Notice of Availability of Mitigation Action Funds	6-29-20
Project Sponsor Submits Proposal to Lead Agency	
Lead Agency Provides Written Approval of Project Sponsor's Proposal	
Lead Agency Incorporates Project Sponsor's Proposal into Mitigation Plan	8-28-20
Trustee Acknowledges Receipt of Project Certification and Funding Direction	
Trustee Allocates Share of Funds for Approved Project	11/11/20
Lead Agency Directs Funding (Advance Funded Projects)	
Project Sponsor Obtains Cost Share, Notifies or Certifies to Lead Agency	
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Start	11/15/20
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Complete	12/30/20
Project Installation(s) – Start	5/31/21
Project Installation(s) – Complete	9/30/21
Project Sponsor provides detailed invoices for all claimed project costs, documentation for emission reduction estimates, required certification documents to Lead Agency to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor) or final accounting (Forward Funded Projects)	-
Lead Agency completes review and certifies payment direction to Trustee (Reimbursement)	
Trustee Acknowledges Receipt of Direction for Payment(s) (Advance Funded, Reimbursement)	-
Project Sponsor Certifies Project Completion	
Lead Agency Reports Project Completion	1/15/22

PROJECT BUDGET

Period of Performance: <u>10/15/2020 to 12/31/21</u>				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Entity #1)	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$ 228,916	\$ 69,847	\$ 116,286	\$ 42,783
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$ 562,725	\$ 85,000	\$ 365,180	\$ 112,545
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$	\$	\$	\$
4. Administrative ¹	\$	\$	\$	\$
Project Totals	\$ 791,641	\$ 154,847	\$ 481,466	\$ 155,328
Percentage	100 %	20 %	60 %	20 %

¹ Subject to Appendix D-2 15% administrative cap.

PROJECTED TRUST ALLOCATIONS:

	2017	2018	2019	2020	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$	\$	\$	\$ 154,847 ■	\$
2. Anticipated Annual Cost Share	\$	\$	\$	\$ 636,794 ■	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$	\$	\$	\$ 791,641 ■	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$	\$	\$	\$	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$	\$	\$	\$	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$	\$	\$	\$	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$	\$	\$	\$	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$	\$	\$	\$	\$

Addendum to Louden Tribal Council D-4 for VW Trust Settlement

Summary Questions from D-4:

Q: Detailed Description of Mitigation Action Item including Community and Air quality Benefits:

A: replace a non-tiered Caterpillar 3512 @ 600 kW (serial number 67Z00585) diesel engine-generator set (gen-set) with a certified Tier 1 Caterpillar 3508B @ 910 kW gen-set in the Galena powerplant. This project is part of a multi-year comprehensive powerplant upgrade that includes 2 additional gen-set replacements, new switchgear, and powerplant infrastructure improvements. The scope of the project also includes a portion of the installation of the automated switchgear. This gen-set replacement will result in 2,056 gallons of diesel fuel savings annually and 12,336 gallons over the lifetime of the gen-set. NOx will be reduced by 27.5% and PM 2.5 by 66.7%. The powerplant upgrade will also facilitate the development of the largest solar photovoltaic array (1.2MW) and battery bank (~1.25 MWh) in rural Alaska, which requires modernized switchgear and electronic diesel engine controls to successfully achieve diesel-off operation for extended periods of solar availability in the long Alaskan summers.

The air quality benefits will occur in an area close to the K-12 Public School and City Office. See table in addendum for air quality benefits as calculated by Gray Stassel Engineering.

Q: Estimate of Anticipated NOx Reductions (5.2.3):

Proposed Replacement Engine:

5	600 kW	Non-tiered	Caterpillar 3512	2003	1,000 hours annually Fuel Usage = 33,133 gallons/yr	Caterpillar 3508, 910 kW, Tier 2

DEQ Notes:

- This project is a continuation of a multi-year powerplant upgrade. Because switchgear improvements were claimed in last year's application, this year's DEQ is only evaluating the proposed #5 gen-set replacement.
- DEQ only allows for quantification with ULSD, while communities will use LSD with these engines.
- The replacement engine is estimated to operate the same number of hours as the engine being replaced.
- Fuel savings for the #5 generator are the same as predicted last year.
- Calculated horsepower is based on the existing engine average load and is calculated using the Load Factor correction per Gray Stassel Engineering.

Group Name: Galena GEN5

Type Nonroad	Engine Model Year 1994	Fuel Type ULSD (diesel)
Target Fleet Stationary Generator	Tier Uncontrolled	Annual Fuel Gallons 33,133
Sector Industrial	Horsepower 1,480	Diesel-equivalent Gallons 33,133
Quantity 1	Upgrade Year 2021	Annual Usage Hours 1,000
	Remaining Life 6	
<input type="button" value="Edit Group"/> <input type="button" value="Copy This Group"/> <input type="button" value="Delete"/>		

Upgrades to Galena GEN5

Action	Upgrade	New Engine Details			New Fuel Volume	New Diesel-equivalent Gallons	Cost per Unit		Percent Reduction				
		Model Year	Tier	Horsepower			Upgrade	Labor	NO _x	PM2.5	HC	CO	CO ₂
<input type="button" value="Edit"/> <input type="button" value="Delete"/>	Engine Replacement - ULSD (diesel)	2003	Tier 1	1,480	31,077	31,077	\$213,916	\$562,725	27.5	66.7	59.4	75.9	

Q: 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):

A: Tribal Administrator, Susie Sam, will be responsible for auditing expenditures of eligible mitigation Action funds.

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

A: The Loudon Tribal Council will establish a webpage dedicated to the funding received from the vw Settlement Trust, which will include a link for members of the public to request additional information and documents related to the funding request and expenditure of funds. This website will be hosted by Loudon's Lead Agency, City of Galena. City of Galena and the Loudon Tribal Council will endeavor to respond to such requests within ten (10) business days and, when documents are requested, will advise the individual within that timeframe of the procedure for reviewing such documents. The Tribe does not have ordinances or policies for matters governing the publication of confidential business information and personally identifiable information. To the extent that Tribal law does not address an issue, the Tribe may look to Alaskan law as a non-binding source of guidance.

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

A: Through the EPA IGAP program, the Loudon Tribe has taken the lead on environmental initiatives in the community for over a decade, including water protection, solid waste education and outreach, and energy efficiency of the Tribal Council building. Loudon Village Council is contributing their allotment of \$154,847 of VW Settlement Trust funds to this project.

The City of Galena and EPA DERA together will contribute \$636,794.

Louden Tribal Council for VW Trust Settlement

Attachment C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

The Loudon Tribal Council will for each Eligible Mitigation Action (EMA) no later than 6 months after receipt of the 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 will submit to the Trustee a semi-annual report describing the progress implementing each EMA during the six month period leading up to the reporting date including a summary of all costs expended on the EMA through the reporting date.

Such reports shall include a complete description of the status including actual or projected termination date, development, implementation and any modifications of each approved EMA. The reports will be signed by an official with authority to submit the report and will contain an attestation that the information is true and correct and that the submission is made under penalty of perjury.

Because funding from this opportunity will be utilized as the Voluntary match through the EPA DERA program, the EPA grants manager who oversees the DERA program will also be overseeing any and all expenditures from this opportunity. Any and all work completed under this opportunity will be reported to the EPA under regular DERA reports and we will be sure to include this information on the publicly available website for the City of Galena, AK. <https://www.ci.galena.ak.us/>

Louden Tribal Council for VW Trust Settlement

Attachment D (5.5.6)

Detailed Cost Estimates Follow

PACIFIC POWER GROUP

JUNE 12, 2020
QUOTATION: 26917-01 GALENA USED 3508B

USED CATERPILLAR 3508B

910KW PRIME CAT 3508B, SR-4B, 4160V, ELEC START
1500 HRS SINCE NEW
Pre-2006 Build Date.

One (1) Used Cat 3508B.....\$213,916.00
All items are proposed FOB Anchorage, AK

Thank you,



Nick Graves
Alaska Sales Manager
Office: 907-205-3640
Cell: 907-570-6988
Email: ngraves@pacificpowergroup.com

TERMS AND CONDITIONS:

1. The above quoted prices are subject to change without notice; price quoted is valid for 30 days.
2. The above quoted prices do not include state and local taxes, if applicable.
3. All orders to purchase or lease based on this quotation shall be subject to acceptance by Pacific Power Group. All transactions shall be made on, and subject to Pacific Power Group standard terms, conditions and warranties, or modified documents reflecting mutually-agreeable terms.
4. Used equipment without warranty.
5. Pacific Power Group will not be responsible for, or subject to, penalties attributed to force majeure.
6. This proposal represents Pacific Power Group's best interpretation of the project requirements, which may vary from other's interpretation. If equipment or services are not described, they cannot be construed to be included in this scope of supply.
7. The information contained in this document contains Pacific Power Group Proprietary Information and is disclosed in confidence. It is the property of Pacific Power Group and shall not be used, disclosed to others or reproduced without the express written consent of Pacific Power Group.

7260 Homer Drive | Anchorage, AK 99518 | 907.522.3434

HIGH STANDARD LLC

1110 West 6th Ave, Suite 202
Anchorage, Alaska 99501
jcravens@highstandard.tech
907.952.4446



Estimate: 061220-01

DATE: 06-12-20

Quote Prepared By: John Cravens

Customer: City of Galena

Customer: Shanda Huntington

Project Name: Caterpillar 3508
Installation

Location: City Power Plant

Job Description:

Mechanical:

- Remove existing 2512 #5 genset and install replacement 3508 genset
- Secure generator frame-rail to foundation using Korfund pads
- Extend fuel supply and return piping including new flexible connections
- Extend coolant supply and return piping including new flexible connections and flanges
- Install drain valves
- Modify exhaust piping to engine including new flexible connection and support bracket. Note this does not include a new silencer.
- Install crankcase ventilation filters and piping.
- Install new butterfly valves on the inlet and outlet of the cooling system circuits
- To include after-cooler circuit modifications
- Fill cooling system with coolant (Supplied by customer)

Electrical:

- Extend MV main conductors from generator to existing main conductor load cables
- Terminate MV cable using compression lugs
- Extend MV cabling from lightning arrestor cabinet to generator enclosure
- Ground generator framerail to ground ring
- Install new control wiring on engine
- Extend control wiring conduit to EMCP
- Install Qty: 2 new 8D batteries including new battery cables with jumper cable and battery support structure
- Install Murphy oil level switches
- Install battery charger conduit and wiring

Conduct genset testing as a standalone

Note: The above estimate is with the understanding that existing ancillary equipment is in good working order. Example External radiator.

Charge	Rate	Hours	Amount
Labor Technician	150.00	436	65,400
Travel Technician	150.00	24	3,600
Freight	4,000		4,000
Parts	32,400		32,400
Baggage	1,800		1,800
Meals	3,200		3,200
Expendables			325
Air Fair	2,000		2,000
TOTAL			112,725

**VW Settlement Environmental Mitigation Trust
DERA Option for the Tribal Clean Diesel Funding Assistance Program (FY 2019/2020)
Notice of Intent to Participate
Information Page**

The U.S. government and Volkswagen (VW) resolved allegations that VW violated the Clean Air Act by selling approximately 590,000 vehicles equipped with defeat devices. As part of this settlement, VW will fund an Environmental Mitigation Trust to fully remediate the amount of excess NOx emissions from these illegal vehicles. Provisions of the trust may be found in the Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries¹.

Under Eligible Mitigation Action (EMA) #10 (the DERA Option) of the trust agreement, federally recognized tribes and Alaska Native Villages² may use trust funds as their non-federal voluntary matching funds on EPA-awarded Tribal Clean Diesel Funding Assistance Program grants. These grants are funded through the Diesel Emissions Reduction Act (DERA) program.

Tribal entities that select the DERA Option must certify as beneficiaries to the trust. The Beneficiary Eligible Mitigation Action Certification (Appendix D-4 of the trust agreement) allows a tribal entity to select “EMA Item 10 - The DERA Option” as an EMA for funding, and requires a DERA proposal to be submitted as Attachment E.

The tribal entity may use one of the following two options as the required Attachment E to the Beneficiary Eligible Mitigation Action Certification submitted to the trustee:

- 1) The tribal entity may submit a copy of the “Project Narrative” portion of its application package submitted to EPA under the most recent Tribal Clean Diesel Funding Assistance Program Request for Applications. The “Project Narrative” should be prepared as described in Section IV.C and Appendix B of the Request for Applications.
- 2) Alternately, the tribal entity may submit a *Notice of Intent to Participate* (Notice) using the template that follows this page.

Section 5.2.12 of the trust agreement also states that the DERA selection letter must be attached to the Beneficiary Eligible Mitigation Action Certification.

Allowable activities under EMA Item 10 – The DERA Option may be found in the Tribal Clean Diesel Funding Assistance Program Request for Applications (FY2018/2019) under Section I. All projects funded with DERA funds, mandatory cost-share funds, and non-federal voluntary matching funds (such as trust funds) must meet all funding eligibility requirements described in the Request for Applications and the terms and conditions for awarded projects.

The template form for the Notice follows this page.

¹ Referred to as “trust agreement” throughout this document.

² Federally recognized Tribes and Alaska Native Villages will be referred to as “tribal entities” throughout this document.

VW Settlement Environmental Mitigation Trust
DERA Option for the Tribal Clean Diesel Funding Assistance Program (FY 2019/2020)
Notice of Intent to Participate

Beneficiary: Louden Village Council

Lead Agency Authorized to Act on Behalf of the Beneficiary: City of Galena

A tribal entity's Tribal Clean Diesel Funding Assistance Program application must be selected by EPA in order to receive trust funds for the DERA Option. Please note that beneficiaries must submit their DERA selection letter with their Beneficiary Eligible Mitigation Action Certification.

DERA FUNDS REQUESTED

Please indicate the total amount of DERA funds that were requested for the proposed project.

\$481,466

SOURCE OF NON-FEDERAL MANDATORY COST-SHARE

Please describe how the tribal entity will provide the non-federal mandatory cost-share amount for the proposed project.

The City of Galena will provide \$\$155,328 for the mandatory cost-share.

TRUST FUNDS REQUESTED

Please indicate the total amount of trust funds requested that will be used as the non-federal voluntary match for the proposed project.

\$154,847

TOTAL COST OF PROJECT

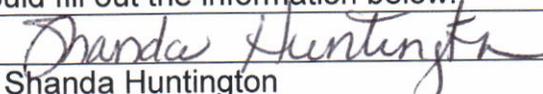
\$791,641

SUMMARY OF PROJECT

Please write a summary of the proposed project, including the number and types of vehicles, engines, and technologies to be funded, and estimated emission reductions.

The City of Galena's electric utility will replace a non-tiered Caterpillar 3512 @ 600kW (serial number 67Z00585) diesel engine-generator set (gen-set) with a certified Tier 1 Caterpillar 3508B @ 910kW gen-set in the Galena powerplant. This project is part of a multi-year comprehensive powerplant upgrade that includes 2 additional gen-set replacements, new switchgear, and powerplant infrastructure improvements. The scope of the project also includes a portion of the installation of the automated switchgear. This gen-set replacement will result in 2,056 gallons of diesel fuel savings annually and 12,336 gallons over the lifetime of the gen-set. NOx will be reduced by 27.5% and PM 2.5 by 66.7%.s The powerplant upgrade will also facilitate the development of the largest solar photovoltaic array (1.2MW) and battery bank (~1.25 MWh) in rural Alaska, which requires modernized switchgear and electronic diesel engine controls to successfully achieve diesel-off operation for extended periods of solar availability in the long Alaskan summers.

The official from the lead agency who signs the Beneficiary Eligible Mitigation Action Certification form should fill out the information below.

Signature	
Name (Print)	Shanda Huntington
Title	City Administrator
Department/Office	City of Galena
Phone	907-656-1301
Email Address	shuntington@ci.galena.ak.us
Mailing Address	P.O. Box 149 Galena, AK 99741

Please attach this form as Attachment E to the Beneficiary Eligible Mitigation Action Certification Form and return to Wilmington Trust.