

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-40**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY APPROVING A VILLAGE
IMPROVEMENT FUND APPLICATION FROM THE
KIVALINA IRA COUNCIL FOR THE LANDFILL CLEANUP
AND WASTE BACKHAUL PROJECT.**

WHEREAS: under Section 11.08.010 of the Borough Code, the Borough Village Improvement Commission was established to identify village service and capital improvement needs, plan and implement capital improvement and public service programs, and oversee investment of the Borough's Village Improvement Fund (VIF); and

WHEREAS: under Section 11.08.020 of the Borough Code, the Commission is responsible for advising the Borough Administration with respect to working with village residents, Borough communities, and village utilities to identify projects and programs for recommended funding; and

WHEREAS: on July 11, 2023, the Village Improvement Commission passed Commission Resolution 23-09, approving and recommending the Kivalina IRA Council's VIF application for funding in the amount of \$780,538.00 for a Landfill Clean-Up and Waste Backhaul Project for final approval by the Northwest Arctic Borough Assembly; and

WHEREAS: this project follows Kivalina's major landfill renovation project from 2022 and will address the collection and disposal of the remaining 180 (5) cubic yard super sacks with over 1.2 million pounds of municipal solid waste currently stored at the end of the runway; and

WHEREAS: this project will facilitate the requisite sampling to allow the waste to be taken to one of two sites for final disposal, provide two waste burn units in Kivalina prior to picking up the waste material, and provide training to local solid waste operators on loading, lighting, and burning household waste for volume reduction; and

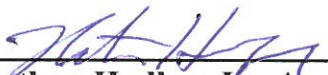
WHEREAS: this project seeks to address life threatening and community health risks by addressing the landfill issues that have persisted in Kivalina for many years, and the project is included in Kivalina's priority list; and

WHEREAS: the funding request meets the VIF eligibility requirements and will benefit the community as a whole; and

WHEREAS: the Assembly wishes to approve the VIF application.


NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST ARCTIC BOROUGH ASSEMBLY: the Kivalina IRA Council's application for VIF funds in the amount of \$780,538.00 for a Landfill Clean-Up and Waste Backhaul Project is approved.

PASSED AND ADOPTED THIS 25th DAY OF JULY 2023.




Nathan Hadley, Jr., Assembly President

PASSED AND APPROVED THIS 25th DAY OF JULY 2023.



Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS THIS 25th DAY OF JULY 2023.



Stella Atoruk, Borough Clerk

ATTEST:



Kivalina Landfill Clean-Up & Waste Backhaul Project

2021 Application

Kivalina IRA Council

Mrs. Millie M. Hawley
PO Box 50051
Kivalina, AK 99750

O: 907-645-2153
M: 907-645-5058

Ms. Shirley Ann Adams

PO Box 50051
Kivalina, AK 99750

commcoor@kivaliniq.org
O: 907-645-2153
M: 907-645-5806

Application Form

Project Information

Project Name*

Kivalina Landfill Clean-Up & Waste Backhaul Project

What is the timeline for your project/program?*

June 16, 2023 to August 31, 2023.

Is this an existing project/program?*

Is it already operating or has construction started? Has the project/program delivered services already?

Yes

If you answered yes to the previous question, please explain the status of the project/program.

Delta Backhaul Company (DBC) assisted the village of Kivalina with a major landfill renovation project summer of 2022. The Kivalina landfill was classified as an open dump on the north end of the Kivalina Airport within 100 feet from the shoreline on the western side, and 50 feet from the shore of the lagoon. The landfill had many operational issues and received a score of 12% on the Alaska Department of Environmental Conservation (ADEC) Class III landfill inspection in 2014 and had never been permitted. The community approached DBC to assist with the project as a consultant and solid waste contractor. The project scope included the collection and disposal of 1.2 million pounds of municipal solid waste along with the renovation of the landfill. The site is designed to be a temporary landfill until the new evacuation site landfill can be built. The renovated landfill will serve the needs of the community for the next 5 years, until the new landfill is constructed.

What is the amount of the funding request to VIC?*

\$780,538.00

Please describe how the VIF funds will be used for this project/program.*

The project staged 180 (5) cubic yard super sacks with over 1.2 million pounds of municipal solid waste at the end of the runway. The material sat overwinter, but is reported in good condition. Delta Backhaul Company has tentatively coordinated the waste backhaul with a regional barge company for pickup late June, 2023. Waste must be sampled prior to acceptance at the disposal facility in Seattle. DBC crew will take multiple samples of the waste and send to a lab Anchorage. Based on the sample results, the waste will be taken to one of two sites for final disposal. The barge company will drop off two waste burn units in Kivalina prior to picking up the waste material. The DBC crew will receive the two Summit burn units and place in the

landfill for immediate operation. The units will be moved using the Tribes John Deere 624K wheeled loader. The local solid waste operators will be trained on loading, lighting and burning household waste for volume reduction.

Does the project/program have other funding sources?*

Does the project/program have other sources of funding, including matched funding or other grants (or state, community, partner organizations contributions)? If yes, please describe and attach relevant documentation.

no

Project Budget Spreadsheet*

Please upload your total project/program budget, including details on VIF funds and how other funding will be used.

Waste backhaul project_2023.pdf

Has the VIF provided funding to your community before?*

Yes

If you answered yes to the previous questions, please describe.

Dump Clean up

Project Details

Will this project/program continue after VIF funding?*

Please describe why or why not.

No, we are planning on getting done with the current landfill this year in renovations. The dump guys will still continue working throughout the year.

If you answered yes to the previous question, please describe how it will be funded.*

How will the project continue after VIF funding end and by whom.

When the time comes, we will start applying for more funding if needed.

Project/Program Partnerships*

Please describe other projects in the community that could support the success of this project/program.

NA

Are there any issues or other projects that could negatively impact the success of your project?*

If yes, please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other projects, stable relationships across community entities, and examples of other successful projects).

no

Administrative and Management Capacity*

Please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other project, stable relationships across community entities, and examples of other successful project).

Our Tribal Administrator and the bookkeeper along with the Environmental Coordinator and Community Coordinator work together to get projects done with the landfill. We have good audit reports, we use Quickbooks software for our financials and it gives accurate reports when needed. We have good working relationships with our contractors.

Staff experience*

Please outline any experience your organization/staff had had with similar projects/programs.

Our organization has been working on the landfill for many years trying to contain it. It is finally starting to look a lot better then before. Cleaning of the landfill will continue this summer and hopefully maintained for many years to come!

Is the project/program "ready to go" or shovel ready?*

Please explain how it has considered the equipment, resources, people, and permits needed for success.

The project is continuation from 2022 so it is ready to go!

Borough Title 9 Permit*

Has the applicant certified that it will comply with any required permits including a Borough Title 9 Permit?

Yes

Does the project/program address an issue that is life threatening, or a health risk?*

i.e., health and safety, emergency, danger to people, the environment, or property. Please describe.

This has been a health risk for many years as we do not have running water in our village.

Please describe if the project/program supports one or more priorities identified by the community.*

The project does support one of the priorities listed on the Kivalina Priority list.

Please attach any relevant documentation to show community involvement or support.*

Examples include letters of support, joint resolution, priority lists, meeting minutes, sign up sheets, Title IX permit, etc.

BIA Landfill Kickoff meeting 02 22 22.pdf

Meeting Minutes*

BIA Landfill Kickoff meeting 02 22 22.pdf

Audit*

audit letter.pdf

Benefits

What are the short-term goals of the project/program?*

Short term goals include moving all the backhaul that was gathered last summer onto the barge.

What are the long-term goals of the project/program?*

To have the landfill usable until we are relocated to the new townsite.

Who will benefit from the project/program?*

Please be specific (e.g., children, youth, elders, women, etc.) and include details (e.g., numbers).

All tribal members and residents living in the village of Kivalina.

What is the level of community impact?*

Will the broader community benefit or just a few individuals?

The broader community will benefit from this project.

Community Impacted*

Will the project benefit one Village, more than one Village, or multiple Villages in the Northwest Arctic region?

One village, but we are able to help any other villages get in contact with the contractors we work with to get the project done.

Will the project create local jobs? If so, how many?*

2 local men will be hired with the contractors to complete the project, there's the landfill operators that will also be trained on using the landfill equipment.

Electronic Signature

With my electronic signature, I certify that the information provided in this application is true, correct, and complete. I agree to allow any information on this application (unless otherwise noted) to be released for publication. I authorize the Northwest Arctic Borough to verify any information submitted as part of this application.

I have read the above information.*

Yes

Title of Authorizing Official*

Becky Norton

Date*

06/08/2023

Electronic Signature*

By typing in your name below, you certify that the above information is true and accurate to the best of your knowledge.

Becky Norton

Direct questions related to the online application system to The Alaska Community Foundation by email: grants@alaskacf.org, or by phone: 907-334-6700.

After you submit your application you will receive a confirmation email. Thank you for applying!

ADMINISTRATOR QUESTIONS AND INSTRUCTIONS

Administrator Only

Your next steps are to respond to all required administrator questions and mark each application complete.

Documents

Check off each item as it is received, either as an upload document or as a hard copy.

File Attachment Summary

Applicant File Uploads

- Waste backhaul project_2023.pdf
- BIA Landfill Kickoff meeting 02 22 22.pdf
- BIA Landfill Kickoff meeting 02 22 22.pdf
- audit letter.pdf

Delta Backhaul Company

16016 Bridgeview Dr.
Anchorage, AK 99516
Phone (907) 310-3807



Date: June 6, 2023

Kivalina Waste Backhaul & Disposal Scope of Work and Budget

Landfill Renovation, Waste Collection & Staging Narrative

Delta Backhaul Company (DBC) assisted the village of Kivalina with a major landfill renovation project summer of 2022. The Kivalina landfill was classified as an open dump on the north end of the Kivalina Airport within 100 feet from the shoreline on the western side, and 50 feet from the shore of the lagoon. The landfill had many operational issues and received a score of 12% on the Alaska Department of Environmental Conservation (ADEC) Class III landfill inspection in 2014 and had never been permitted. The community approached DBC to assist with the project as a consultant and solid waste contractor. The project scope included the collection and disposal of 1.2 million pounds of municipal solid waste along with the renovation of the landfill. The site is designed to be a temporary landfill until the new evacuation site landfill can be built. The renovated landfill will serve the needs of the community for the next 5 years, until the new landfill is constructed. Many of the elements included in the landfill renovation project were designed to be used in the new relocation landfill. Items like the landfill perimeter gate, some landfill fencing, landfill signs, summit burn boxes and the landfill equipment were by design, intended to be mobile. The renovated landfill, including the heavy equipment and burn box installation will now earn an estimated landfill score in the mid-80th percentile for the ADEC class III inspection and should receive its first-class III permit summer of 2023.

Waste Backhaul Project Scope

The project staged 180 (5) cubic yard super sacks with over 1.2 million pounds of municipal solid waste at the end of the runway. The material sat overwinter, but is reported in good condition. Delta Backhaul Company has tentatively coordinated the waste backhaul with a regional barge company for pickup late June, 2023. Waste must be sampled prior to acceptance at the disposal facility in Seattle. DBC crew will take multiple samples of the waste and send to a lab Anchorage. Based on the sample results, the waste will be taken to one of two sites for final disposal. The barge company will drop off two waste burn units in Kivalina prior to picking up the waste material. The DBC crew will receive the two Summit burn units and place in the landfill for immediate operation. The units will be moved using the Tribes John Deere 624K wheeled loader. The local solid waste operators will be trained on loading, lighting and burning household waste for volume reduction. The Delta Backhaul Company crew will assist the community with a spring cleanup of the landfill and seepage trench. Dry burnable

material will be collected and processed through the two new burn units. As part of the DBC landfill spring clean-up effort, the septage trench will be consolidated, pushed into the pit and lime placed in the trench for reducing pathogens. Any damage to the fencing and landfill signs from winter storms will be corrected. The site clean-up is estimated to take two days and will prepare the landfill for summer operations. The cleanup effort will also get the landfill ready for the ADEC landfill inspection scheduled for August. The DBC crew will collect e-waste and lead-acid batteries from the recycling center and add it to the existing inventory of material to be backhauled. This material will be placed in super sacks and then loaded onto a shipping flat. Finally, DBC will assist and oversee the loading from the barge company of the 1,000,000 lbs. of waste for backhaul. The backhaul is estimated to take several trips with the landing craft. This effort, depending on weather could span the timeline of several weeks. DBC crew will be on-site for the start of the backhaul providing instructions for the barge crew and answering any questions about the material and load-out procedures.

Waste Backhaul Project Schedule

Delta Backhaul Company is currently assisting tribes on the road system with abandon vehicle backhaul projects. We will coordinate with the barge company for our arrival in Kivalina. The estimated start date for the project is June 25th. The project is projected to take 5-6 days.

Tentative Kivalina Waste Backhaul
June 25th - August 30th

Waste Backhaul Project Budget

Administrative/Logistics planning

- 88 hours @ \$100/hr. \$8,800
- Administrative sub-total \$8,800**

Flights – 4 crew

- ANC – KVL (rt) \$3,400
- Flights sub-total \$3,400**

Labor

- 6 crew, 5 days \$19,500
- Labor sub-total \$19,500**

Lodging – 4 nights x 6 people

- School @\$200 /per person / night \$4,800
- Lodging sub-total \$4,800**

Meals

- 6 crew @ \$90/day x 5 \$2,700
- Meals sub-total \$2,700**

Supplies

- List of supplies for spring clean-up event \$1,500

• Shipping supplies	\$1,000
<i>Supplies sub-total</i>	<i>\$2,500</i>
<u>Barge (Backhaul) Costs – BET-ANC</u>	
• (60) Flats with 180 waste bags	\$644,888
<i>Barge Cost sub-total</i>	<i>\$644,888</i>
<u>Sampling – 10 samples collected</u>	
• Collect samples @ \$220 per sample	\$2,200
• (6) constituents analyzed (lab) @ \$1,220ea.	\$12,200
• Sulfur analytical @ 150ea.	\$1,500
• Sampling equipment	n/a
• Shipping (within sample holding time)	\$1,500
• Report sent to disposal facility	\$500
<i>Sampling sub-total</i>	<i>\$17,900</i>
<u>Disposal Costs @ 500 tons</u>	
• Solid waste disposal @ \$118.40 per ton	\$59,200
• Pick up at the Port of Seattle	Included
• Ground transportation	Included
<i>Disposal sub-total</i>	<i>\$59,250</i>
<u>Electronic waste & lead-acid battery recycling</u>	
• Electronic waste transport & recycling	\$9,800
• Lead-acid battery transport & recycling	\$3,400
<i>Disposal sub-total</i>	<i>\$13,200</i>
<u>Landfill spring clean-up effort</u>	
• Excavator / Dozer (rental) x 3 days	\$3,600
<i>Clean-up sub-total</i>	<i>\$3,600</i>
<i>Project Total</i>	<i>\$780,538</i>



Community Coordinator <commcoor@kivaliniq.org>

Kivalina BIA Landfill Grant Kick-off -- Tuesday 2/22 @10:30am

1 message

Michelle Harrison <MHarrison@crweng.com>

Wed, Feb 16, 2022 at 4:00 PM

To: Stanley Hawley <tribeadmin@kivaliniq.org>, Community Coordinator <commcoor@kivaliniq.org>, City of Kivalina <kivalinacity@aim.com>, "atchugunnaq@gmail.com" <atchugunnaq@gmail.com>, "epa.icwa@kivaliniq.org" <epa.icwa@kivaliniq.org>, Kalen Stamp <kestamp@anthc.org>, Adison Spafford <aspafford@crweng.com>, "Gould, Raynell S" <rsgould@anthc.org>, Dan Campbell <dcampbell@crweng.com>, "Kayla.nay@manillaq.org" <Kayla.nay@manillaq.org>

Greetings all,

The Kivalina BIA Landfill Grant Kick-off meeting is scheduled for Tuesday, 2/22/2022 (that's a lot of 2's) at 10:30 am. Feel free to call in (1 907-313-1802, passcode 548286362) or join with **video**. A calendar invite was also sent with the call-in info and link to join via video.

Here is a preview of the agenda items:

1. Team Introductions
2. Project Scope
3. Schedule
4. Discussion of Landfill Options
5. Other Comments/Concerns
6. Next Meeting Date

If you have any questions in the meantime, please let me know! We will take meeting minutes and distribute them afterward. I'm looking forward to talking to everyone next Tuesday.

Best regards,

-Michelle

Michelle Harrison, EIT
Civil Engineer



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Anchorage AK 99503
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www.crweng.com

Bright People. Powerful Solutions. Building Alaska.

Website | Facebook | LinkedIn



Community Coordinator <commcoor@kivaliniq.org>

Kivalina BIA Landfill Grant Kick-off -- Tuesday 2/22 @10:30am

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Michelle Harrison <MHarrison@crweng.com>

Wed, Feb 16, 2022 at 4:00 PM

To: Stanley Hawley <tribeadmin@kivaliniq.org>, Community Coordinator <commcoor@kivaliniq.org>, City of Kivalina <kivalinacity@aim.com>, "atchugunnaq@gmail.com" <atchugunnaq@gmail.com>, "epa.icwa@kivaliniq.org" <epa.icwa@kivaliniq.org>, Kalen Stamp <kestamp@anthc.org>, Adison Spafford <aspafford@crweng.com>, "Gould, Raynell S" <rsgould@anthc.org>, Dan Campbell <dcampbell@crweng.com>, "Kayla.nay@manillaq.org" <Kayla.nay@manillaq.org>

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Brad Cage, CPA
18040 Hillcrest Drive • Eagle River, AK 99577
Phone (907) 444-6465

May 18, 2023

To Tribal Council and Management

Native Village of Kivalina

Kivalina, Alaska

I am pleased to confirm our understanding of the services I am to provide for Native Village of Kivalina for the year ended December 31, 2022.

Audit Scope and Objectives

I will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Native Village of Kivalina as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Native Village of Kivalina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, I will apply certain limited procedures to Native Village of Kivalina's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, if applicable.

I have also been engaged to report on supplementary information other than RSI that accompanies Native Village of Kivalina's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and I will provide an opinion on it in relation to the financial statements as a whole in a report combined with my auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards.
- 2) Combining nonmajor funds

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes my opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

I will conduct my audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable me to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, I exercise professional judgment and maintain professional skepticism throughout the audit.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. I will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by me, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. I will include such matters in the reports required for a Single Audit. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

I will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will also request written representations from your attorneys as part of the engagement.

I have identified the following significant risk(s) of material misstatement as part of my audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, I have considered these as significant risks. Significant revenue recognition risks include but are not limited to, dump fee revenues. In addition, I have also noted prior year findings related to documentation of expenses that I consider to be a significant risk.

My planning of the audit has not concluded, so there might be additional risks noted.

I may, from time to time and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the

third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

My audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

I will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of Native Village of Kivalina's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. My procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Native Village of Kivalina's major programs. For federal programs that are included in the Compliance Supplement, my compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Native Village of Kivalina's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the Uniform Guidance.

Other Services

I will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Native Village of Kivalina in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter my assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have

accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

My audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to me and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that I may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence. At the conclusion of my audit, I will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that I report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include my report on the schedule of expenditures of federal awards in any document that contains, and indicates that I have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of

federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include my report on the supplementary information in any document that contains, and indicates that I have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

I understand that your employees will prepare all cash, accounts receivable, or other confirmations I request and will locate any documents selected by me for testing.

At the conclusion of the engagement, I will complete the appropriate sections of the Data Collection Form that summarizes my audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. I will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

I will provide copies of my reports to Native Village of Kivalina; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brad Cage, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Department of the Treasury or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brad Cage, CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of the Treasury. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Brad Cage is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. I expect to begin my audit on approximately May 18, 2023.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, EQCR fees etc.) except

that I agree that my gross fee, including expenses, will not exceed \$14,300. My standard hourly rate is \$110 per hour. In addition, I will bill \$550 for other expenses including report production, EQCR, audit guides, etc. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report(s). You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, I will keep you informed of any problems I encounter and my fees will be adjusted accordingly.

Reporting

I will issue written reports upon completion of my Single Audit. My reports will be addressed to Management and the Tribal Council of Native Village of Kivalina. Circumstances may arise in which my report may differ from its expected form and content based on the results of my audit. Depending on the nature of these circumstances, it may be necessary for me to modify my opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to my auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or issue reports, or I may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

You have requested that I provide you with a copy of my most recent external peer review report and any subsequent reports received during the contract period. Accordingly, my 2021 peer review report accompanies this letter.

I appreciate the opportunity to be of service to Native Village of Kivalina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to me.

Very truly yours,

Brad Cage, CPA

Brad Cage, CPA

RESPONSE:

This letter correctly sets forth the understanding of Native Village of Kivalina.

Management signature: *[Signature]*

Title: *Tribal Administrator*

Date: *5-24-23*

Governance signature: *[Signature]*

Title: *Chairman*

Date: *[Blank]*



Report on the Firm's System of Quality Control

Brad Cage CPA
Eagle River, Alaska;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Brad Cage CPA (the firm) in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs - Advisors

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Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brad Cage CPA in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brad Cage CPA has received a peer review rating of *pass*.

GYL LLP

Ontario, California
March 10, 2022

GYL



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Environmental
Conservation

DIVISION OF ENVIRONMENTAL HEALTH
Solid Waste Program

610 University Ave
Fairbanks, Alaska 99709
Phone: 907.451.2108
Fax: 907.269.7600

June 23, 2023

Native Village of Kivalina
P.O. Box 50051
Kivalina, Alaska, 99750

Subject: Support for supersack backhaul in Kivalina

Dear Ms. Hawley:

The Department of Environmental Conservation (ADEC) Solid Waste Program regulates solid waste facilities in Alaska and provides technical assistance for developing and maintaining facilities that are not a threat to human or environmental health and meet the requirements of State of Alaska regulations Title 18 Chapter 60 of the Alaska Administrative Code (18 AAC 60). ADEC strives to assist rural villages in improving solid waste management for their community. With the current landfill being located on a barrier island, it was considered a strong positive move by the local community to hire a contractor to assist with removing their existing landfill and containerizing the waste in order to ship it out for disposal. Kivalina is a barrier island and is currently threatened by storm surges, so removing this waste so that it would not impact local subsistence resources if it was washed away was supported by ADEC. Unfortunately, the funding that they had available fell short of being able to ship the waste out. It was still a positive outcome, because during two storm events in 2022, the waste was contained and controlled in supersacks so it did not wash away, but the responsible next step is to finish the project and ship the supersacks for proper disposal in a permitted landfill. If a more powerful storm occurs before additional funding is secured, the positive steps that Kivalina has taken could be negated.

With these factors in mind, the ADEC Solid Waste Program strongly supports Kivalina in their efforts to apply for and receive VIF funding in order to complete the backhaul of the supersacks containing their old landfill. Please contact me with any comments or questions at (907) 451-2174 or email me at trisha.bower@alaska.gov.

Sincerely,

A handwritten signature in purple ink that reads "Trisha Bower".

Trisha Bower
Northern and Southeast Regional Program Manager
ADEC Solid Waste Program

6/23/2023

Native Village of Kivalina
P.O. Box 50051
Kivalina, Alaska, 99750



RE: Letter of Support for Waste Backhaul from Kivalina

To Whom It May Concern:

Maniilaq Association supports the Native Village of Kivalina's effort to backhaul roughly 1 million pounds of municipal waste currently staged in super sacks on the beach.

The Kivalina landfill has historically had a low Alaska Department of Environmental Conservation (ADEC) Solid Waste Index compliance score, no active state permit, and has historically been a threat to public health and the environment. However, recent efforts by the Native Village of Kivalina and partners to clean up the dumpsite has improved ADEC regulatory compliance, allowed for a permit, and has led to a dramatic positive impact. Solid waste management in Kivalina is trending upward and we support all of these efforts.

It is essential that the roughly 1 million pounds of municipal waste staged on the beach be backhauled to a solid waste facility for proper disposal. This will extend the life of the existing dumpsite and remove a human and environmental threat from the shores of Kivalina. Climate change and storm surges continually threaten Kivalina and the waste stored on the beach. We support the Native Village of Kivalina's effort to backhaul the roughly 1 million pounds of municipal waste from the community.

Taikuu/Quyana,

Chris Dankmeyer, MSc, REHS
Community Health Director
Maniilaq Association

MANIILAQ ASSOCIATION | P.O. BOX 256 | KOTZEBUE, AK 99752 | 1 800.478.3312

Kotzebue Qikiqtaruk, Ambler Ivisaappaat, Buckland Nunatchiaq, Deering Ipnatchiaq, Kiana Katyaak, Kivalina Kivaliniq,
Kobuk Laugviik, Noatak Nautaaq, Noorvik Nuurvik, Point Hope Tikigaaq, Selawik Akutigaq, Shungnak Isinnaq

Kivalina Priorities:

- Alternative Energy
- AVEC Intertie and water storage at new site
- Barge landing or intertie with port site, build road for wholesale similar to Noatak
- Create student incentives with technology prizes
- Discuss Co-Op with Teck and KEA for energy sharing
- Equipment, windmills, and solar panels to minimize electric costs
- Dump repair, move dump away from airport, add new fencing, burn box and dumpsters for townsite
- Elder services to include garbage and qugvik (honey-bucket) pick up
- Elder/Homeowner window and door repair
- Erosion threat assessment
- Evacuation planning with emergency shelter, vehicle at new site
- Grave diggers shack with generators and tools
- Improve water quality, clean water tanks, and replace water filters
- Playground with cement basketball court
- Promote food preservation, plants and berries
- Promote Kivalina wellness
- Senior Van, Driver, and Student Pick-Up
- Snow fence, equipment for snow removal, and connex for storage
- Utilize ASRC to build village pad with their equipment
- VIF Grantwriter/liaison
- VPO Housing Utilize city's camper and renovate it
- Youth musical instructors needed

