



## Financial Assistance Award

**DENALI COMMISSION**  
 510 "L" Street, Suite 410  
 Anchorage, Alaska 99501  
 (907) 271-1414 (phone)  
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 www.denali.gov

<b>Project Number</b>	0049-DC-2002-12
<b>Project Title</b>	Bulk Fuel Consolidation & Power Generation Upgrades
<b>Performance Period</b>	February 1, 2002 – January 31, 2003

**Recipient Name & Address**  
 Alaska Village Electric Cooperative, Inc.  
 4831 Eagle Street  
 Anchorage, AK 99503  
 Phone: (907) 561-1818  
 Fax: (907) 562-4086

<b>Authority</b> 112 Stat 1854	<b>CFDA Number</b> 90.100
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Current Obligations		Cumulative Obligations			
			Denali Commission	Other contributors	Totals
Denali Commission Current Funding	\$590,000				
Denali Commission Funds Authorized for Carry Forward	\$21,294,562	Current Funding	\$590,000	\$0	\$590,000
Total Current Denali Commission Budget	\$21,884,562	Funding from prior periods	\$21,294,562	\$2,971,938	\$24,266,500
		<b>Total Cumulative Funding</b>	<b>\$21,884,562</b>	<b>\$2,971,938</b>	<b>\$24,856,500</b>
<b>Funds Available and Apportioned by OMB</b>	<i>CCE</i>	DC Expenditures as of 1/31/02	\$3,996,155		

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- Special Award Conditions and Attachments
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments  
[www.whitehouse.gov/OMB/circulars/a133/a133.html](http://www.whitehouse.gov/OMB/circulars/a133/a133.html)

**Administrative Requirements (check one)**

- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments  
[www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr24\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations  
[www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr14\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)

**Cost Principles (check one)**

- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments  
[www.whitehouse.gov/OMB/circulars/a087/a087-all.html](http://www.whitehouse.gov/OMB/circulars/a087/a087-all.html)
- OMB Circular A-122, Cost Principles for Nonprofit Organizations  
[www.whitehouse.gov/OMB/circulars/a122/a122.html](http://www.whitehouse.gov/OMB/circulars/a122/a122.html)
- OMB Circular A-21, Cost Principles for Educational Institutions  
[www.whitehouse.gov/OMB/circulars/a021/a021.html](http://www.whitehouse.gov/OMB/circulars/a021/a021.html)
- 48 CFR 31.2, Contracts with Commercial Organizations

<b>Signature of Authorized Official - Denali Commission</b> 	<b>Typed Name and Title</b> Jeffery B. Staser, Federal Co-Chair	<b>Date</b> 2/1/02
<b>Signature of Authorized Official</b> 	<b>Typed Name and Title</b> Meera Kohler, President & CEO	<b>Date</b> 2/26/02

**Award Conditions to the Financial Assistance Award  
between the Denali Commission and Alaska Village Electric Cooperative  
for Rural Bulk Fuel and Power System Upgrades  
February 1, 2002  
Project # 0049-DC-2002-I2**

***1. Scope of Work***

The scope of work under this Financial Assistance Award includes the projects listed in the attached spreadsheet. Any surplus of funds (on one or more of the projects funded under this Agreement) may be used on other projects identified under this Agreement that may be experiencing a project shortfall. The intent is not to set aside a specific sum of Commission funding to a particular project, but rather that the projects identified under this agreement area all completed successfully. TAPL money may be used only for Bulk Fuel projects.

There are many issues such as facility location, project ownership, construction costs, and compliance with sustainability criteria that require resolution prior to proceeding with construction. If project issues cannot be resolved in a reasonable time frame, the Commission expects AVEC to move down the priority list to projects that are ready to proceed to construction. It is expected that the Commission and AVEC Project Officers will meet quarterly to review the progress of projects and collaboratively determine if reasonable progress is being made and what steps should be taken, if any, to deal with new developments encountered in the design and construction process.

***2. Award Performance Period***

The award performance period is February 1, 2002 through January 31, 2003. Due to the nature of the continuation award, cost incurred prior to February 1, 2002 for projects which have been carried forward from a previous award are allowable under this award.

***3. Direct and Indirect Costs***

The cost principles of OMB Circular A-122 are applicable to this award. Indirect costs are not allowable for financial assistance under this agreement. However, indirect costs may be recognized for purposes of quantifying AVEC's financial contribution.

***4. Budget and Program Revisions***

Budget and program revisions to Commission funding shall be in accordance with 15CFR14.25. Shifting of funding between project line items by AVEC is allowed provided there is no increase in the total funding provided by the Commission. The Commission Project Officer is to be copied on all revisions to the AVEC project schedules and budgets.

Written request by letter from the AVEC Project Officer to the Commission Project Officer for concurrence is necessary for budget and program revisions where projects are added or deleted or that would result in the need for additional Commission funds.

### ***5. Award Renewal***

AVEC may apply for a renewal award to begin on the first day after the existing award performance period ends. AVEC must submit a properly completed application, in accordance with the instructions provided by the Commission, to the Commission prior to the scheduled expiration date of the award as shown under section 2 of this award. The application will include:

- a. The project status report required under section 6.a. of this award as of the most recently completed quarter and a projected project status report as of the end of the award period.
- b. A description of AVEC's plans for the conduct of the projects during the renewal, award period.
- c. A detailed budget for the upcoming award renewal period.

The Commission shall review the renewal award application adequacy of AVEC's progress during the current award period and planned conduct of the projects in the renewal award period. The Commission shall not require the applicant to compete against any other application. The Commission will roll-forward to the renewal award period, the unliquidated obligations of the award as of the last day of the award period. The Commission will also roll-forward to the renewal award period, the unobligated balance of the award. The award of any additional funding for the renewal award is subject to the availability of funds.

### ***6. Reporting***

Four forms of project reporting are required under this award, listed below. The first quarterly reporting period for this award is Feb 1, 2002 – Mar 30, 2002. Unless otherwise indicated, reports are due within 30 days of the end of the reporting period. The Commission reserves the right, at a future date, to direct AVEC to provide progress reports in electronic format for posting on the Commission web page.

- a. Quarterly project reporting shall include both a narrative and financial summary. The narrative summary shall include a summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems. The project financial status report shall show the following:
  - i. The total project budget
  - ii. The project schedule with milestone dates for design and construction
  - iii. The total amount of Denali Commission funds committed to the project
  - iv. The total project expenditures as of the end of the most recent quarter
  - v. The total expenditure of Denali Commission funds for the project as of the end of the most recent quarter
  - vi. The percentage of expenditures to the total budget; and

- vii. A project performance analysis on project line items, as defined by AVEC, showing budget costs compared to actual expenditures and obligation to date versus work performed to date (for each line item).
- b. A Financial Status Report (Standard Form 269), [www.whitehouse.gov/OMB/grants/index.html#forms](http://www.whitehouse.gov/OMB/grants/index.html#forms)) and a final Financial Status Report shall be submitted to the Commission Project Officer within 90 days after the end of the Award Performance Period.
- c. A Labor Type, Residence, and Wage Report shall be submitted to the Commission project officer at a minimum of two times annually. At a minimum, these two reports must be submitted on or near August 1<sup>st</sup> and December 1<sup>st</sup> each year to correspond with the Alaska construction season. A Labor Type, Residence, and Wage Report must include the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, payroll earnings from inception of project to date.
- d. Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation shall include a minimum of five, dated photos per quarter such that a complete record of the construction is maintained over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images).

## ***7. Payments***

Payments under this award will be made through the U.S. Department of Treasury’s Automated Standard Application for Payment (ASAP) system. The ASAP system is the Denali Commission’s mechanism for requesting and delivering Federal funds to financial assistance award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Denali Commission project manager for further information about registering with the ASAP program.

## ***8. Award Close Out Process***

The award closeout must be completed within 90 days of the end of the award performance period or within 90 days of the completion of the project, whichever is earlier. Project closeout includes the submission of both a final narrative report and financial status report. Recipients must also draw down any remaining funds for expenditures under this award during this 90-day period. Please refer to the Denali Commission guidance for project closeout for additional details on the requirements. This is available by contacting the Denali Commission office or the Project Manager.

### ***9. Public Policy Laws and Assurances***

Financial Assistance Award Recipients are required to comply with the public policy laws and assurances on form SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

Local Labor and Small, Minority Owned and Disadvantaged Businesses: To the maximum extent feasible, considering applicable laws, AVEC shall accomplish the work of this Agreement utilizing local labor and small, minority owned and disadvantaged businesses.

Lobbying: No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Environmental Reviews: Based upon proposed Federal funding, project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds. In accordance with NEPA and NHPA legislation, AVEC shall address all potential environmental concerns (specific and cumulative effects) associated with the projects, identified in this Agreement, in consultation with applicable Federal, State, and local authorities. If the scope of work is changed in the future, then AVEC will revisit the project level environmental reviews to determine if potential environmental concerns must be further addressed. In the interest of streamlining the project level environmental reviews and to avoid duplication of effort, any other Federal Agency environmental review process carried out by AVEC on projects, identified in this Agreement, shall meet the intent of this paragraph.

### ***10. Project Officers & Contact Information***

The project officer for Alaska Village Electric Cooperative, Inc. is Ms. Meera Kohler. The Commission project officers are Ms. Kathleen Prentki. for the purposes of project management and Ms. Michelle O’Leary for the purposes of financial management.

<b>Denali Commission</b>	<b>Alaska Village Electric Cooperative</b>
Ms. Kathleen Prentki 510 “L” Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: <a href="mailto:kprentki@denali.gov">kprentki@denali.gov</a>	Ms. Meera Kohler 4831 Eagle Street Anchorage, AK 99503 Voice – (907) 561-1818 Fax – (907) 562-4086 e-mail: <a href="mailto:mkohler@avec.org">mkohler@avec.org</a>
Ms. Michelle O’Leary 510 “L” Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1767 Fax – (907) 271-1415 e-mail: <a href="mailto:moleary@denali.gov">moleary@denali.gov</a>	

### ***11. Denali Commission Policies***

AVEC agrees to comply with the Commission's resolution 01-15 resolution on sustainability, the Commission's sustainability criteria, private enterprise policy, project prioritization policy, pipelines and dispensers policy, project design capacity policy, and interim cost containment policy which are attached.

The electric utility systems and bulk fuel systems receiving the benefit of Commission funding must be sustainable as addressed in the Commission's resolution 01-15. As a precondition of construction funding, a project must demonstrate that it is part of a sustainable electric utility or bulk fuel system. Facilities that are owned by the Alaska Village Electric Cooperative are considered part of a sustainable electric utility system.

**Electric Power Distribution Projects**

Community Name	CD	BP	FD	CO	Total Project Budget	Other Contributions	DC Funding under prior awards	DC Funding (this award)	Total DC Funding	% of project funded
Kivalina					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Ambler					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Shungnak					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Huslia					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Kiana					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Lower Kalskag					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
Upper Kalskag					\$400,000.00	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	100%
<b>Subtotal</b>					<b>\$2,800,000.00</b>	<b>\$1,400,000.00</b>	<b>\$1,400,000.00</b>	<b>\$0.00</b>	<b>\$1,400,000.00</b>	<b>100%</b>

**Electric Power Generation Projects**

Community Name	CD	BP	FD	CO	Total Project Budget	Other Contributions	DC Funding under prior awards	DC Funding (this award)	Total DC Funding	% of project funded
Brevig Mission					\$1,560,000.00	\$0.00	\$1,560,000.00	\$0.00	\$1,560,000.00	100%
Elim					\$1,784,000.00	\$0.00	\$1,784,000.00	\$0.00	\$1,784,000.00	100%
Kasigluk					\$850,000.00	\$400,000.00	\$450,000.00	\$0.00	\$450,000.00	100%
Kiana					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Koyuk					\$250,000.00	\$0.00	\$250,000.00	\$0.00	\$250,000.00	100%
Quinhagak					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Pilot Station					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Savoonga					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Shismaref					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Toksook Bay					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
<b>Subtotal</b>					<b>\$5,644,000.00</b>	<b>\$700,000.00</b>	<b>\$4,944,000.00</b>	<b>\$0.00</b>	<b>\$4,944,000.00</b>	<b>100%</b>

**Bulk Fuel Tankfarms and Pipelines**

Community Name	CD	BP	FD	CO	Total Project Budget	Other Contributions	DC Funding under prior award	DC Funding (this award)	Total DC Funding	% of project funded
Ambler fill line					\$310,000.00	\$31,000.00	\$279,000.00	\$0.00	\$279,000.00	100%
Anvik fill line					\$525,000.00	\$52,500.00	\$472,500.00	\$0.00	\$472,500.00	100%
Koyuk					\$2,496,000.00	\$97,600.00	\$2,398,400.00	\$0.00	\$2,398,400.00	100%
Brevig Mission					\$2,320,000.00	\$80,000.00	\$2,240,000.00	\$0.00	\$2,240,000.00	100%
Elim					\$1,816,000.00	\$80,000.00	\$1,736,000.00	\$0.00	\$1,736,000.00	100%
Huslia fill line					\$250,000.00	\$25,000.00	\$225,000.00	\$0.00	\$225,000.00	100%
Lower Kalskag					\$100,000.00	\$0.00	\$100,000.00	\$0.00	\$100,000.00	100%
Old Harbor					\$1,300,000.00	\$50,000.00	\$1,250,000.00	\$0.00	\$1,250,000.00	100%
Noorvik Phase 2					\$1,100,000.00	\$110,000.00	\$990,000.00	\$0.00	\$990,000.00	100%
Selawik					\$200,000.00	\$50,000.00	\$150,000.00	\$0.00	\$150,000.00	100%
Shungnak fill line					\$155,000.00	\$15,500.00	\$139,500.00	\$0.00	\$139,500.00	100%
Toksook Bay					\$2,950,500.00	\$210,338.00	\$2,740,162.00	\$0.00	\$2,740,162.00	100%
Tununak					\$1,850,000.00	\$70,000.00	\$1,780,000.00	\$0.00	\$1,780,000.00	100%
Upper Kalskag					\$100,000.00	\$0.00	\$100,000.00	\$0.00	\$100,000.00	100%
<b>Subtotal</b>					<b>\$15,472,500.00</b>	<b>\$871,938.00</b>	<b>\$14,600,562.00</b>	<b>\$0.00</b>	<b>\$14,600,562.00</b>	<b>100%</b>

**Bulk Fuel Conceptual Designs & Business Plans**

Community Name	CD	BP	FD	CO	Total Project Budget	Other Contributions	DC Funding under prior award	DC Funding (this award)	Total DC Funding	% of project funded
Chevak					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Togiak					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Nulato					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Gambell					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Savoonga					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Emmonak					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Noatak					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Kaltag					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Mt. Village					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Stebbins					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
St. Michael's					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%

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Shageluk					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Alakanuk					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Nightmute					\$40,000.00	\$0.00	\$25,000.00	\$15,000.00	\$40,000.00	100%
Tununak					\$15,000.00	\$0.00		\$15,000.00	\$15,000.00	100%
Koyuk					\$15,000.00	\$0.00		\$15,000.00	\$15,000.00	100%
Brevig Mission					\$15,000.00	\$0.00		\$15,000.00	\$15,000.00	100%
Elim					\$15,000.00	\$0.00		\$15,000.00	\$15,000.00	100%
Shishmaref					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
New Stuyahuk					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Merkoryuk					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Russian Mission					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Sungnak					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Hooper Bay					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Nunapitchuk					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
Marshall					\$40,000.00	\$0.00		\$40,000.00	\$40,000.00	100%
<b>Subtotal</b>					<b>\$940,000.00</b>	<b>\$0.00</b>	<b>\$350,000.00</b>	<b>\$590,000.00</b>	<b>\$940,000.00</b>	<b>100%</b>

<b>TOTAL</b>					<b>\$24,856,500.00</b>	<b>\$2,971,938.00</b>	<b>\$21,294,562.00</b>	<b>\$590,000.00</b>	<b>\$21,884,562.00</b>
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**Legend**

- CD = Conceptual Design Report
- BP = Business Plan
- FD = Full Design
- CO = Construction