



**Financial Assistance Award**

**DENALI COMMISSION**  
 510 "L" Street, Suite 410  
 Anchorage, Alaska 99501  
 (907) 271-1414 (phone)  
 (907) 271-1415 (fax)  
 www.denali.gov

**Project Number** 0116-DC-2004-14

**Project Title** Tok-Chistochina Regional Intertie

**Performance Period** 12/01/2003 through 12/31/2005

**Authorizing Resolution** 04-01

**Recipient Organization & Address**  
 Alaska Power Company  
 P.O. Box 3222  
 Port Townsend, WA 98368-0922  
  
 Ph. 1 (800) 982-0136  
 Fax. (360) 385-5177  
**Recipient DUNS # 002836666**

**Authority**  
 112 Stat 1854

**CFDA Number**  
 90.100

**Denali Commission Finance Officer Certification**

*CEE*

**Cost Share Distribution Table**

Accounting Code	Denali Commission	Other Contributors	Total
95670000	\$2,000,000		\$2,000,000
			\$0
			\$0
			\$0
			\$0
<b>Total</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>

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 Non-Profit Organizations  
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

**Administrative Requirements (check one)**

- OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments  
<http://www.whitehouse.gov/omb/circulars/a102/a102.html>
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit, and Commercial Organizations  
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

**Cost Principles (check one)**

- OMB Circular A-87, Cost Principles for State, Local 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  
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>
- 48 CFR 31.2, Contracts with Commercial Organizations

**Signature of Authorized Official - Denali Commission**

**Typed Name and Title**  
 Jeffrey B. Staser, Federal Co-Chair

**Date**  
*2-10-2004*

**Signature of Authorized Official - Alaska Power Company**

**Typed Name and Title**  
 Robert S. Grimm, President  
 Alaska Power Company

**Date**  
*2-10-2004*

***Award Conditions to the Financial Assistance Award  
Between the Denali Commission and  
Alaska Power and Telephone Company (APT)  
For: Construction of Tok-Chistochina Regional Intertie  
Project No. 0116-DC-2004-I4***

***1. Scope of Work***

The project consists of four phases that will connect about 70 initial customers to central station power:

- Construct a 4.5 mile 12.5 kv three-phase extension north of Chistochina, providing service to six unserved customers at a cost of \$275,000.
- Convert 6 miles of single-phase 12.5 kv distribution line along the Mentasta Road to three-phase at a cost of \$110,000.
- Construct two miles of three-phase 12.5 kv line from Mentasta Road to Mentasta Lodge at a load of 20kW and at a cost of \$215,000
- Complete the Slana area distribution system. The system consists of a diesel generation module. The module will contain two John Deere 150 kW generation units for winter peaking and one John Deere 90 kW unit installed for the summer load. The module will be equipped to utilize the waste heat with either the local school or the National Park Service or both being the host. Fuel is to be delivered by a tanker truck and stored in a 3000-gallon fuel-storage holder that is UL approved with secondary containment. The annual fuel consumption is estimated to about 50,000 gallons. The distribution system is standard RUD construction meeting the NESC requirements, consisting of 1.5 miles of three-phase, 10.76 miles of single phase 12470/7200-grounded wye. The system will provide central station electric service to about 65 households. The cost is estimated to be \$1.4 million.

The overall cost of the effort is expect to be \$ 2 million funded by the Denali Commission.

All Commission funding is intended for use for the scope of work identified in the Award document only. In the event there is a balance of funding remaining after the full scope of work has been completed, the Denali Commission shall determine how the excess funds will be allocated.

***2. Milestones***

Identify the milestones to be completed as part of the project. Planned dates for the first milestone shall be included here.

Milestone	Planned	
	Start Date	End Date
Final Design	02/04/2004	04/07/2004
Construction	02/20/2004	07/15/2005

### ***3. Award Performance Period***

The Award performance period is December 1, 2003 through December 31, 2005. This is the period during which Award recipients can incur obligations or costs against this Award.

### ***4. Direct and Indirect Costs***

The cost principles of 48 CFR 31.2, Contracts with Commercial Organizations are applicable to this Award. Indirect costs up to 20% are allowable under this Award and are included in the amount of the award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

### ***5. Budget and Program Revisions***

The Administrative Circular OMB Circular A-110 applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that APT will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

### ***6. 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 Commission's mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Program Manager or Finance Manager for further information about registering with the ASAP program. Payments shall be made in accordance with OMB Circular A-110. **No interest will be accrued on these funds.**

### ***7. Reporting***

Three forms of project reporting are required under this Award, listed below. APC shall submit reports using the Denali Commission's on-line Project Database System, available at [www.denali.gov](http://www.denali.gov). If there are technical limitations, which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is January 1, 2004 through March 30, 2004, and each quarter thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:

- i. Total project funding, including both Denali Commission funding and other project funding sources.
  - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
  - iii. Update schedule and milestone information as identified in the Scope of Work
  - iv. Narrative 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.
  - v. **Construction Projects** Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period 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. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. **Wage and Residency Reports** shall be submitted on an annual basis using the Denali Commission On-line Project Database. The reporting period is January 1<sup>st</sup> – December 31<sup>st</sup> of each year. Reports are due within 30 days of the end of the reporting period. The Wage and Residency Report shall include the following information by for each construction project
- i. Total number of Local Residents employed during the year, and their total payroll earnings.
  - ii. Total number of Non-Local Alaska Residents employed during the year, and their total payroll earnings.
  - iii. Total number of Non-Alaska Residents employed during the year, and their total payroll earnings.
- c. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] “Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. [subpart 205] The determination of when an award is expended should be based on when the activity related to the award occurs.”

Recipients shall also submit single audits to the Federal Clearinghouse designated by OMB. Information can be found on the following web-site:

<http://harvester.census.gov/sac/>

## **8. Project Close-Out**

The project close-out shall 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. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The Project Close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at [www.denali.gov](http://www.denali.gov). The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 6(a) "Progress Reports"
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The Award recipient shall display a sign that:
  - i. Has the Denali Commission logo displayed on the upper right-hand quadrant;
  - ii. States the following: "This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)";
  - iii. Shows the logo of each partner in the lower right-hand quadrant.

The cost of this sign shall be paid out of the project funding received by the Award recipient from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manager.

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

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms 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.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

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.

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. NEPA reviews performed for other funders of this project shall be deemed sufficient for this project award if they are available and applicable to same or greater scope.

### ***10. Non-Compliance with Award Conditions***

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

### ***11. Program Manager, Financial Manager & Other Contact Information***

APC project officers are Bob Grimm for purposes of project design and construction and Karl Wood for purposes of financial management. The Commission project officers are Ms. Kathleen Prentki. for purposes of project management and Ms. Michelle O'Leary for purposes of financial management.

<b>Denali Commission</b>	<b>Alaska Power Company.</b>
Ms. Kathleen Prentki 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: kprentki@denali.gov	Robert S. Grimm, President 193 Otto Street, P.O. Box 3222 Port Townsend, WA. 98368 Voice- 800-982-0136 x120 Fax- 360-385-7538 Email: bob.g@aptalaska.com
Ms. Michelle O'Leary 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1767 Fax – (907) 271-1415 e-mail: moleary@denali.gov	Karl Wood, Senior Accountant 193 Otto Street, P.O. Box 3222 Port Townsend, WA. 98368 Voice- 800-982-0136 x 128 Fax- 360-385-7538 Email: karl.w@aptalaska.com