



## Financial Assistance Award

**DENALI COMMISSION**  
 510 "L" Street, Suite 410  
 Anchorage, Alaska 99501  
 (907) 271-1414

<b>Project Number</b> 0023-DC-2001-15 Amendment 1		
<b>Denali Commission Accounting Code</b>		
95670000	FY 2001 USDA-RUS Funding	\$14,250,000
95670000	FY 2001 TAPL Funding	\$4,804,400
95670000	FY2001 Commission Funding	\$500,000
95670000	Transfer from AEA Project No. 0001-DC1999-11	\$540,162
<b>Total Commission Funding</b>		\$20,094,562
<b>Funds Available &amp; Apportioned by OMB</b>		<i>CEE</i>

**Recipient Name & Address**

Alaska Village Electric Cooperative, Inc.  
 4831 Eagle Street  
 Anchorage, AK 99503  
  
 Phone (907) 561-1818  
 Fax (907) 562-4086

<b>Cost Share Distribution</b>			
	<b>Denali Commission</b>	<b>AVEC</b>	<b>Totals</b>
<b>Bulk Fuel</b>	\$13,750,562	\$871,938	\$14,622,500
<b>Power Systems</b>	\$6,344,000	\$2,100,000	\$8,444,000
<b>Totals</b>	\$20,094,562	\$2,971,938	\$23,066,500

<b>Authority</b> 112 Stat 1854	<b>Project Title</b> Bulk Fuel and Power Generation Upgrades	<b>Award Performance Period</b> From: Jan 1, 2001 To: Jan 1, 2006
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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.

- EDA Standard Terms and Conditions Public Works and Implementations Construction Components, dated 3/99
- Special Award Conditions and Attachments
- Line Item Budget
- 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))
- 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-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))
- 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))
- 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))
- EDA Standard Terms and Conditions Capacity Building Programs
- Department of Commerce Financial Assistance Standard Terms and Conditions, dated 10/98

<b>Signature of Authorized Official - Denali Commission</b> 	<b>Typed Name and Title</b> Jeffrey B. Staser, Federal Co-Chair	<b>Date</b> 5/22/01
<b>Signature of Authorized Official</b> 	<b>Typed Name and Title</b> Meera Kohler, President & CEO	<b>Date</b> 5/23/01

**Award Conditions to the Financial Assistance Award  
Project No. 0023-DC-2001-15 Amendment 1  
Bulk Fuel & Power System Upgrades  
Alaska Village Electric Cooperative, Inc.**

1. The scope of work under this financial assistance award is amended to include the projects listed in the attached spreadsheet. The new projects added by this amendment are:
  - a. Upper Kalskag, Lower Kalskag, and Toksook Bay bulk fuel projects transferred from the Alaska Energy Authority.
  - b. Bulk fuel tank farm concept designs for 14 communities: Chevak, Togiak, Nulato, Gambell, Savoonga, Emmonak, Noatak, Kaltag, Mountain Village, Stebbins, St. Michael, Shageluk, Alakanuk, and Nightmute.
  - c. Design funding (50%) for the Selawik tank farm and power system.

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, are all completed successfully.

2. Expenditures made by AVEC on these projects prior to the date of this Financial Assistance Award will be recognized for purposes of AVEC's financial contribution. Expenditures made by AVEC on these projects after the date of this Financial Assistance Award are eligible for reimbursement under this financial assistance award.
3. The Project Officer for the Alaska Village Electric Cooperative, Inc. is Ms. Meera Kohler. The Project Officer for the Denali Commission is Ms. Kathleen Prentki.
4. AVEC is to establish a schedule and budget for each project funded under this agreement within 30 days of the date of the financial assistance award. AVEC shall thereafter submit written progress reports to the Commission Project Officer quarterly (March 31-June 30-September 30-December 31). The reports are due within 30 calendar days of the end of the quarter. Interim reports are required in the event of significant project events that may extend the project schedule and/or impact the project budget. Quarterly progress reports shall include a 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? Shifting of costs between project budget line items by AVEC is allowed provided there is no increase in the total funding provided by the Commission under this Financial Assistance Award. The Commission Project Officer is to be copied on all revisions to the AVEC project schedules and budgets.

**Award Conditions to the Financial Assistance Award**  
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**Alaska Village Electric Cooperative, Inc.**

5. Four forms of project financial and labor reports are required.
  - A. Project financial status reports shall be submitted to the Commission Project Officer quarterly (included as part of the quarterly progress reports). For each project that includes funding from the Denali Commission, the quarterly 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 obligations to date versus work performed to date (for each line item).
  - B. Monthly project expenditure summaries (or at other intervals as requested by the Commission Project Officer – but not more frequently than monthly) for each project and revolving fund account summary shall be provided to the Commission Project Officer.
  - C. A Financial Status Report (Standard Form 269 – [www.whitehouse.gov/OMB/grants/index.html#forms](http://www.whitehouse.gov/OMB/grants/index.html#forms)) shall be submitted to the Commission Project Officer within 90 days after the end of each anniversary of the initial award date, and a final Financial Status Report shall be submitted within 90 days after the end of the Award Performance Period.
  - D. 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.
6. 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.
7. To receive payment, AVEC must submit a "Request for Advance or Reimbursement", Standard Form-270, to the Commission Project Officer. On

**Award Conditions to the Financial Assistance Award**  
**Project No. 0023-DC-2001-15 Amendment 1**  
**Alaska Village Electric Cooperative, Inc.**

Standard Form-270 AVEC will request that the Commission transfer the funds directly to a construction fund account (“Account”) in the name of AVEC at a bank insured by the Federal Deposit Insurance Corporation. AVEC shall move Commission funds for this Agreement from the Account to reimburse AVEC for expenditures on approved projects, using rules developed by the USDA-RUS for electric cooperative RUS Construction Trustee Funds. These project-level fund transfers shall occur when project funds are required to make payment upon AVEC approved project invoices or when requesting project expenditure advances. It is expected that AVEC will forecast by letter or spreadsheet format, Commission funds or project expenditure advances needed on a monthly (or as needed) basis for each project. The Commission reserves the right to consolidate project level payments into one payment. The Commission Project Officer may review all payments to determine if the expenditures made are justified and supported by appropriate records, invoices and other documentation. If discrepancies involving the Account funds arise, the Commission reserves the right to prohibit further payments to AVEC, until such time that the discrepancies are resolved to the satisfaction of the Commission.

8. 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.
9. 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.
10. Project budget revisions shall be in accordance with 15CFR24.30(c)(2). Written request by letter from the AVEC Project Officer to the Commission Project Officer for concurrence is necessary for budget revision approval where projects are added or deleted or that would require additional Commission funds.
11. AVEC agrees to comply with the Commission’s private enterprise policy, a draft of which is attached hereto and made a part hereof.
12. 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.

**Award Conditions to the Financial Assistance Award**  
**Project No. 0023-DC-2001-15 Amendment 1**  
**Alaska Village Electric Cooperative, Inc.**

13. The electric utility systems and bulk fuel systems receiving the benefit of Commission funding must be sustainable. As a precondition of construction funding, a project must meet the attached sustainability criteria. Facilities that are owned by the Alaska Village Electric Cooperative meet the attached sustainability criteria.
  
14. There are many issues such as facility location, project ownership, construction costs, and compliance with sustainability criteria that require resolution prior to proceeding with full design and construction. If project issues cannot be resolved in a reasonable time frame, the Commission expects AVEC to move down its priority list(s) to projects that are ready to proceed to full design and 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.

## AVEC Project No. 0023-DC-2001-15 Amendment 1

Community	Total Project	DC Funding	AVEC Funding	Other Funding	Balance
<b>Electric Power Distribution Projects</b>					
Kivalina	400,000	200,000	200,000	0	0
Ambler	400,000	200,000	200,000	0	0
Shungnak	400,000	200,000	200,000	0	0
Huslia	400,000	200,000	200,000	0	0
Kiana	400,000	200,000	200,000	0	0
Lower Kalskag	400,000	200,000	200,000	0	0
Upper Kalskag	400,000	200,000	200,000	0	0
<b>Subtotal</b>	<b>2,800,000</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>0</b>	<b>0</b>
<b>Electric Power Generation Projects</b>					
Brevig Mission	1,560,000	1,560,000	0	0	0
Elim	1,784,000	1,784,000	0	0	0
Kasigluk	850,000	450,000	400,000	0	0
Kiana	200,000	150,000	50,000	0	0
Koyuk	250,000	250,000	0	0	0
Quinhagak	200,000	150,000	50,000	0	0
Pilot Station	200,000	150,000	50,000	0	0
Savoonga	200,000	150,000	50,000	0	0
Shismaref	200,000	150,000	50,000	0	0
Toksook Bay	200,000	150,000	50,000	0	0
<b>Subtotal</b>	<b>5,644,000</b>	<b>4,944,000</b>	<b>700,000</b>	<b>0</b>	<b>0</b>
<b>Bulk Fuel Tankfarms and Pipelines</b>					
Concept Designs	350,000	350,000	0	0	0
Ambler fill line	310,000	279,000	31,000	0	0
Anvik fill line	525,000	472,500	52,500	0	0
Koyuk	2,496,000	2,398,400	97,600	0	0
Brevig Mission	2,320,000	2,240,000	80,000	0	0
Elim	1,816,000	1,736,000	80,000	0	0
Huslia fill line	250,000	225,000	25,000	0	0
Lower Kalskag	100,000	100,000	0	0	0
Old Harbor	1,300,000	1,250,000	50,000	0	0
Noorvik Phase 2	1,100,000	990,000	110,000	0	0
Selawik	200,000	150,000	50,000	0	0
Shungnak fill line	155,000	139,500	15,500	0	0
Toksook Bay	2,950,500	1,540,162	210,338	0	1,200,000
Tununak	1,850,000	1,780,000	70,000	0	0
Upper Kalskag	100,000	100,000	0	0	0
<b>Subtotal</b>	<b>15,822,500</b>	<b>13,750,562</b>	<b>871,938</b>	<b>0</b>	<b>1,200,000</b>
<b>Grand Total</b>	<b>24,266,500</b>	<b>20,094,562</b>	<b>2,971,938</b>	<b>0</b>	<b>1,200,000</b>
<b>Percentage</b>	<b>100.0%</b>	<b>82.8%</b>	<b>12.2%</b>	<b>0.0%</b>	<b>4.9%</b>