



**Financial Assistance
Award**

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

Project Number	219-06
Project Title	Humpback Creek Hydroelectric Restoration
Performance Period	Feb. 15, 2006 to Feb.15, 2007
Authorizing Resolution	06-07

Authority 112 Stat 1854	CFDA Number 90.100
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Recipient Organization & Address
 Cordova Electric Cooperative, Inc.
 PO Box 20
 Cordova, AK 99574-0020
 Phone: (907) 424-5555
 Fax: (907) 424-5527

Denali Commission Finance Officer Certification

JRP

Recipient DUNS # 03-741-6252 TIN #92-0069167

Cost Share Distribution Table

Accounting Code 95670000	Denali Commission	Other Contributors	Total
FY06 Energy & Water	\$607,300.00		\$607,300.00
USDA-RUS (Direct to CEC)		\$1,037,500.00	\$1,037,500.00
Total	\$607,300.00	\$1,037,500.00	\$1,644,800.00

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>
- 2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations (OMB Circular A-110)
http://www.access.gpo.gov/nara/cfr/waisidx_05/2cfr215_05.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
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
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	Date
<i>George J. Canelos</i>	George J. Canelos, Federal Co-Chair	5/19/06

Signature of Authorized Official - Cordova Electric Cooperative, Inc.	Typed Name and Title	Date
<i>Valerie J. Covell</i>	Valerie J. Covell, Mgr. Admin + Finance Kenneth J. Gates, General Manager	5-23-06

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  Kenneth J. Gates		TITLE General Manager	
APPLICANT ORGANIZATION Cordova Electric Cooperative, Inc.		DATE SUBMITTED 5-23-06	

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and Cordova Electric Cooperative, Inc.
For Humpback Creek Hydroelectric Restoration
Award No. 219-06
May 2006***

1. Scope of Work

This award is to provide for the repair of the Humpback Creek Hydroelectric facility in accordance with the PND, Inc. scope of work dated March 24, 2006, and in accordance with the Federal Energy Regulatory Commission (FERC) work plan approval.

Specific elements of the repair include:

- Diversion weir repairs
- Intake gate structure, new intake and gates for flume/penstock
- Pile supported penstock, wood cradle penstock repairs
- Erosion repairs, log crib dam repairs
- Rock stability blasting, scaling and rock bolting.

The Commission funds \$607,300 for the scope described above. This is supplementary to project funding provided directly to the recipient through the USDA-RUS Extremely High Energy Cost grant program. The Commission funding is not sufficient to pay all the costs of this project. In the event the project costs exceed the Commission funding, the recipient is responsible for the excess costs. No additional funding will be provided by the Commission.

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Denali Commission.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned		Actual		Units	Total Cost At Completion
	Start Date	End Date	Start Date	End Date		
In-Progress	02/15/2006	02/15/2006			0	\$0.00
Final Design & Permitting	02/15/2006	05/30/2006			0	\$0.00
Construction	06/01/2006	02/15/2007			0	\$0.00
Project Close-out	02/15/2007	05/14/2007			0	\$0.00

3. Award Performance Period

The Award performance period is February 15, 2006 through February 15, 2007. 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 OMB A-122 are applicable to this Award. The direct cost of Cordova Electric Cooperative personnel time devoted to the performance of the award, are allowable. Indirect costs will not be charged under this 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, 2 CFR Part 215 (formerly OMB 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 Cordova Electric Cooperative, Inc. 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. Cordova Electric Cooperative, Inc. must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Finance Manager at (907)-271-1414 for further information about registering with the ASAP program. Payments shall be made in accordance with 2 CFR Part 215 (formerly OMB A-110). **No interest will be accrued on these funds.**

7. Reporting

Four forms of project reporting are required under this Award, listed below. Cordova Electric Cooperative, Inc. shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is February 15, 2006 to March 31, 2006, and quarterly thereafter. Please note that your performance period allows you to incur expenses that may have occurred prior to the signing of this grant, therefore you must complete quarterly progress reports and SF-269's for quarters that have already occurred. 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. Updated schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, which addresses 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. **Standard Form 269A Financial Status Report – Short Form (SF269A)** shall be submitted on a quarterly basis via fax, e-mail or mail. As with the Progress Reports, the SF269A is due within 30 days of the end of the quarter and a final SF269A is due within 90 days of the end of the Award Performance Period. Please note the following:
- i. This report cannot yet be submitted through the Denali Commission On-line Project Database and therefore must be submitted via fax, e-mail or mail.
 - ii. This form is available on the Internet at <http://www.whitehouse.gov/omb/grants/sf269a.pdf>. A link to this site is also available on the Commission’s website, www.denali.gov, under the “Finance” section. A Guide to Completing the SF269A can also be found on the Denali Commission’s website under the “Finance” section.
 - iii. The SF269A may be filled out electronically using the above link. However, the completed SF269A must be printed and signed, and then the completed SF269A must be submitted to the Deputy Director of Administration via mail, fax or as a PDF attachment to an e-mail (nmerriman@denali.gov).
 - iv. If you have multiple projects under a single Financial Assistance Award, the SF269A is required ONLY for the award as a whole, not for the individual projects.
- c. **Wage and Residency Reports** shall be submitted on an annual basis using the Denali Commission On-line Project Database. The reporting period is January 1st – December 31st 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 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.
- d. **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 as designated by OMB. Information can be found on the following web-site:

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

8. *Project/Award Close-Out*

The project close-out report 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. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(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 display a sign that acknowledges the Government’s support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient must request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.

9. *Public Policy Laws and Assurances*

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

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

Denali Commission	Cordova Electric Cooperative, Inc.
Kathy Prentki Program Manager 510 "L" Street, Suite 410 Anchorage, AK 99501 Phone: (907) 271-1414 Fax: (907) 271-1415 E-mail: kprentki@denali.gov	Kenneth J. Gates Project Manager P.O. Box 20 Cordova, AK 99574-0020 Phone: (907) 424-5031 Fax: (907) 424-5527 E-mail: kgates@cordovaelectric.com
Joey Ausel Grants Manager & Analyst 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3415 Fax: 907-271-1415 E-mail: jausel@denali.gov	Valerie Covell Financial Contact P.O. Box 20 Cordova, AK 99574-0020 Phone: (907) 424-5024 Fax: (907) 424-5527 E-mail: vcovell@cordovaelectric.com

12. Attachments

PND, Inc. cover Memorandum to design update dated March 24, 2006.



Incorporated

CONSULTING
ENGINEERS

MEMORANDUM

To: Mr. Danny Ackmann
Cordova Electric Cooperative

Date: March 24, 2006
Project No: 054067.01

Cc:

From: Mike Hartley, P.E.

Subject: Humpback Creek Dam Updated Cost Estimate

Danny,

PND recently provided you with an assessment of site conditions based on a site visit on February 24, 2006. We recommended at that time that Pacific Blasting be contacted to obtain additional construction cost estimates for rock scaling, blasting and rock bolting. Representatives from Pacific Blasting and Wallace Technical Blasting visited the site with PND personnel and CEC personnel on March 14, 2006. Their revised rock stability costs were slightly higher than originally provided.

Additionally PND further evaluated the scour potential of the gabion baskets in the creek that provide protection for the wood flume. Based on these additional assessments and discussions with CEC personnel we are modifying the work effort to cover several items mentioned in our February 2006 letter to you:

1. A more definitive estimate of rock blasting, rock scaling and rock bolting was provided along with costs for helicopter support for the project by Pacific Blasting.
2. PND was requested to evaluate other options for support and replacement of the wood flume structure.

Revisions to our February 2006 letter are described below.

Rock Stability Improvements

Based on this field review scaling, rock bolting and limited blasting will be required both before the bridge and after the bridge in several areas. The exact work requirements cannot be provided at this time. The general course of construction will require initial tree clearing, overburden removal in areas and rock scaling to remove loose rock from the slopes that vary from 15 to 50 feet in height. Upon completion of these activities the need to perform any rock blasting will be assessed. Limited rock blasting, if necessary would then be conducted. Following these activities rock bolting would be conducted. The location of rock bolts would need to be field determined. Pacific Blasting and Wallace Technical Blasting will mobilize the necessary crew and supplies to the site to conduct the construction operations necessary to stabilize the slopes on each side of the existing bridge mentioned in our previous memorandum to you. The Contractor will ship 40-foot-long rod stock totaling 640 feet in length to the site and these will be cut to fit the necessary dimensions required to bolt unstable rock slabs. Rock bolting will likely consist of a series of bolts with possible ring ties if needed to provide the necessary compression and stabilization of the slope.

Pile-Supported Penstock Improvements

PND was asked to consider other options to the creek slope stabilization that involved shotcrete placement on existing gabion baskets. After discussions with CEC it was proposed to demolish the existing wood flume and wood flume intake structure and instead install a pile or micropile supported penstock. The penstock would be supported both vertically and laterally with ties to bedrock. The advantage of this system is it is not dependent on the gabions to survive a flood event. Gabions, even when shotcreted, will eventually scour and fail at some time in the future. This system would not be dependent on scour and therefore will result in much longer design life for the project. Installation of a pile-supported intake structure with new concrete, penstock gate valve and diversion gate valve will provide a much more suitable system than the current wood flume and gabion protection system. PND has included the additional costs for construction and design of this system in the revised cost estimate and deleted the shotcrete repairs for the gabion face.

Permitting

Rock blasting and scaling of rock that falls into the creek will require some interaction with permitting agencies. The majority of this work will be performed by another consultant but will require some interaction with PND. It will also be necessary to coordinate with FERC to ensure compliance on modifications to the dam infrastructure.

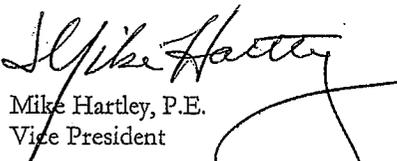
Geophysical Work

With the addition of a pile-supported penstock we have added costs to perform a geophysical survey by Apollo Geophysics. A geophysical line will be performed along the existing wood flume and at two locations perpendicular to this line to confirm the approximate location of bedrock in support of design of the pile-supported penstock and pile-supported intake structure design. This work could be performed as soon as April 3, 2006.

Based on these changes and the more refined estimate of Pacific Blasting the total construction cost from our February 2006 letter has been revised from \$1,592,500 to \$1,644,800; a \$52,000 change. The final cost estimate is detailed in the attached spreadsheet. The changes improve design life for the facility significantly, reduce overall maintenance costs and provide in our opinion a superior design.

I am also attaching a copy of our February 27, 2006 memorandum. With the exception of the deletion of the shotcrete and the work described above the other work elements have not changed. We are also attaching a copy of the Pacific Blasting construction cost estimate to perform this work. Should you have any questions please contact us at your convenience.

Sincerely,
PND Incorporated


Mike Hartley, P.E.
Vice President

Attachments: Original Feb. 27, 2006 Field Assessment Report
March 21, 2006 Pacific Blasting Letter on Rock Slope Stabilization Construction Costs