



## Financial Assistance Award

**DENALI COMMISSION**  
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 www.denali.gov

<b>Project Number</b>	0048-DC-2002-11 Amendment No. 12
<b>Project Title</b>	Bulk Fuel Consolidation Upgrades & Power Generation
<b>Performance Period</b>	February 1, 2002 – January 31, 2005
<b>Authorizing Resolution</b>	04-01
<b>Recipient Organization &amp; Address</b>	
State of Alaska Alaska Energy Authority 813 W. Northern Lights Anchorage, AK 99503 Phone: (907) 269-3000 Fax: (907) 269-3044 <b>Recipient DUNS # 05-407-2608</b>	

<b>Authority</b> 112 Stat 1854	<b>CFDA Number</b> 90.100
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<b>Denali Commission Finance Officer Certification</b>	<i>CEE</i>
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### Cost Share Distribution Table

Current Obligations	Cumulative Obligations	Denali Commission	Other Contributors	Totals
FY04 Base funding Acct. Code 95670000	\$ 5,259,791.00	Current Funding \$ 7,291,332.00		\$ 7,291,332.00
TAPL	\$ 2,031,541.00	Funding From Prior Periods \$ 92,433,162.56	\$ 28,252,278.00	\$ 120,685,440.56
<b>Total Current Funding</b>	<b>\$ 7,291,332.00</b>	<b>Funding Totals</b>	<b>\$ 28,252,278.00</b>	<b>\$ 127,976,772.56</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 Indian Tribal Governments  
<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

<b>Signature of Authorized Official - Denali Commission</b>	<b>Typed Name and Title</b>	<b>Date</b>
	Jeffrey B. Staser, Federal Co-Chair	2/13/04
<b>Signature of Authorized Official - Alaska Energy Authority</b>	<b>Typed Name and Title</b>	<b>Date</b>
	Ronald W. Miller, Executive Director	2/25/04

Funding List Project No. 0048-DC-2002-I1, Amendment 12  
 Financial Assistance Award Between Denali Commission and AEA  
 For Statewide Bulk Fuel and Energy Program

February 2004

VILLAGE	PROJECT	FUNDING	Funding Source
Statewide*	Energy Cost Reduction RFP	\$ 1,800,000	base
King Cove	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Pilot Point	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Hydaburg	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Kasaan	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Coffman Cove	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Thorne Bay	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Klawock	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Pelican	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Iliamna	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Gustavus	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Elfin Cove	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Kipnuk	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Tuluksak	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Kwethluk**	BFU, Start CDR design, business plan	\$ 100,000	TAPL
Oscarville	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Napakiak	BFU, Start CDR design, business plan	\$ 75,000	TAPL
Akutan	BFU, Construction	\$ 806,541	TAPL
Akutan	BFU, Construction	\$ 393,459	base
Akutan	Other Energy, upgrade controls, replace valves on existing hydropower system	\$ 150,000	base
Newhalen	BFU, Construction	\$ 1,200,000	base
Nanwalek	BFU, Construction	\$ 700,000	base
Nikolski	RPSU, Construction	\$ 761,135	base
Statewide	Denali Commission Projects Admin Support at 3.5% of award	\$ 255,197	
<b>Total Funding, This Award</b>		<b>\$ 7,291,332</b>	
* Communities will be named when successful proposals are funded			
** Kwethluk is planned to be firm fixed price bid, so design is more detailed			

PROJECT LIST  
 FEBRUARY 2004

***Award Conditions to the Financial Assistance Award  
Between the Denali Commission and Alaska Energy Authority  
For Rural Bulk Fuel and Power System Upgrades  
Project No. 0048-DC-2002-II, Amendment 12***

***1. Scope of Work***

The scope of work under this Financial Assistance Award (the “Agreement”) is to plan and construct the projects listed on the attached “Approved Project List”, as well as projects previously approved under the original project award and subsequent amendments one through eleven. 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. However, any change in project funding that exceeds +/- 10% of the original amount funded must be justified and approved in writing in accordance with paragraph 4. The intent is not to set aside a specific sum of Commission funding to a particular community, but rather that the projects on “Approved Project List” are 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 AEA to move down the priority list to projects that are ready to proceed to construction. It is expected that the Commission and AEA 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.

AEA will make subgrants to Alaska communities or local utilities to construct the projects, and AEA may act as the subgrantees’ agent to plan, design, and construct the projects.

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. Award Performance Period***

The Award performance period is February 1, 2002 through January 31, 2005. This is the period during which Award recipients can incur obligations or costs against this Award. 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 A-87 are applicable to this Award. The direct cost of AEA personnel time devoted to and identified on their timesheets for the performance of the award, i.e. plan and construct the projects under section 1 of this award, are allowable. In addition, up to 3.5% of the total costs under this award are allowable for the direct cost of

AEA personnel time devoted to and identified on their timesheets for administration of the award. AEA direct personnel costs for grant administration exceeding the 3.5% limit plus indirect costs will be considered a matching contribution.

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

The OMB Administrative Circular A-102 applies to this Award. Shifting of funding between project line items by AEA is allowed provided the change is within 10% (+/-) of the line item amount funded in this award, and there is no increase in the total funding provided by the Commission. The Commission Program Manager is to be notified on all revisions to the "Approved Project List" as part of the progress report under section 6.a. of this award.

Written request by letter from the AEA Project Manager to the Commission Program Manager for concurrence is necessary for budget and program revisions where the change to an individual project budget exceeds the 10% (+/-) limit, or when projects are added or deleted or that would result in the need for additional Commission funds.

#### ***5. 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 Administrative Circular A-102.

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

Three forms of project reporting are required under this Award, listed below. AEA 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 next reporting period is January 1, 2004 – March 31, 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.
  - vi. **Non-Construction Projects** For minor repair and renovation projects or other non-construction projects, dated pictures should be provided of before and after, or photos that are representative of the funded activity, to the extent possible. 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/>

## **7. 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. AEA shall submit project close-out reports for each project line-item funded as part of this award. Should an individual physical project receive funding under multiple Denali Commission Awards, only one project close-out report shall be submitted that includes the entire project.

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.

## ***8. 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.

## ***9. 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.

***10. Program Manager, Financial Manager & Other Contact Information***

Denali Commission	Alaska Energy Authority
Ms. Kathleen Prentki 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: kprentki@denali.gov	Mr. Chris Mello 813 W. Northern Lights Blvd. Anchorage, AK 99503 Voice – (907) 269-4649 Fax – (907) 269-3044 e-mail: cmello@aidea.org
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	Ms. Amy McCollum 813 W. Northern Lights Blvd. Anchorage, AK 99503 Voice – (907) 269-4629 Fax – (907) 269-3044 e-mail: amccollum@aidea.org

***11. Denali Commission Policies***

AEA 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, and project design capacity policy, and cost containment policy.